CITY OF BEDFORD

Annual Comprehensive Financial Report

For the Year Ending September 30, 2022

City of Bedford, Texas

City of Bedford, Texas

Annual Comprehensive Financial Report
Fiscal Year Ended September 30, 2022

Prepared By
City of Bedford Finance Department

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City of Bedford, Texas

Annual Comprehensive Financial Report
For the Year Ended September 30, 2022
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Introductory Section

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CITY of BEDFORD

2000 FOREST RIDGE DRIVE, BEDFORD, TEXAS 76021-1895

March 22, 2023

To the Honorable Mayor, Members of the City Council and Citizens of Bedford:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Bedford, Texas (City), for the fiscal year ended September 30, 2022. This report was prepared through the cooperative effort of the Administrative Services Department and the City's independent auditor. The purpose of this report is to provide the City Council, staff, citizens, and other interested parties with detailed information reflecting the City's financial condition.

This report satisfies §103.001 of the Texas Local Government Code and §2.20 of the City Charter. The ACFR consists of management's representations concerning the finances of the City. Responsibility for both the accuracy of the data and completeness and fairness of the presentation rests with the City. We believe the data, as presented, is accurate in all material aspects. It is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and all disclosures necessary have been included to enable the reader to gain the maximum understanding of the City's financial affairs.

The ACFR Annual Comprehensive Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, organizational chart and a list of principal officials. The financial section includes the independent auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements, required supplementary information, combining and individual fund statements and schedules. The statistical section includes a variety of financial and demographic information presented on a multiyear basis that is relevant to a financial statement reader. The financial section is prepared in accordance with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB).

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

INDEPENDENT AUDIT

The City of Bedford's financial statements have been audited by Weaver and Tidwell L.L.P, a firm of licensed certified public accountants. The goal of an independent auditor is to provide reasonable assurance that the financial statements of the City of Bedford, for the fiscal year ended September 30, 2022, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Bedford's financial statements for the fiscal year ending September 30, 2022, are fairly presented in conformity with GAAP. The independent auditors report is presented as the first component in the financial section of this annual report.

CITY PROFILE

The City of Bedford is a predominately residential community located in Tarrant County, near several major transportation links between Dallas and Fort Worth. It is part of the "Metroplex" of North Central Texas, which includes the cities of Dallas and Fort Worth. The City of Bedford is bordered on the east and south by the City of Euless, on the west by the City of Hurst and on the north by the City of Colleyville. Bedford lies approximately five miles from the Dallas/Fort Worth International Airport, 12 miles from downtown Fort Worth and 20 miles from downtown Dallas There are three State Highways (183, 121, 157) and two Interstate Highways (35, 30) serving the City with the nearest Interstate located six miles away. The City was incorporated in 1953 under the general laws of the state of Texas and the voters approved the current charter in 1966. The City is a home rule city and operates under the Council/Manager form of government. The City Council is composed of a mayor and six council members elected at large every three years.

Services provided by the City under the general governmental functions include police and fire protection, emergency medical services, planning and zoning, code enforcement and inspections, street maintenance, parks, recreation, library and senior citizen services. Water and sewer services are provided under an enterprise fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debt. Drainage maintenance services are also provided under the enterprise fund concept, implemented in 1991 in accordance with amendments to Title 13 of the Texas Local Government Code.

The water supply for the City of Bedford is provided by the Trinity River Authority (TRA), which provides treated water to Bedford, Euless, Colleyville, Grapevine and North Richland Hills pursuant to separate, but similar contracts dated January 21, 1972, and April 25, 1979. In October 1973 the Trinity River Authority (Central Regional Wastewater System) entered into a 50-year contract with numerous cities in the Metroplex, including the City of Bedford for construction of a wastewater treatment plant to service all contracting parties. The original 50-year duration of the contract is automatically extended through the latest maturity of any TRA outstanding debt issues.

The City of Bedford Street Improvement Economic Development Corporation (EDC) is governed by a seven-member board appointed by the City Council. Although it is legally separate from the City, the EDC is reported as a Special Revenue Fund as if it were part of the primary government because its sole purpose is to operate, maintain and finance the costs of the City's street improvements using sales taxes collected under Section 4B of the Development Corporation Act of 1979.

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

The information presented in the financial statements should be considered from the broad perspective of the specific environment within which the City operates.

In recent years, the City of Bedford, located in the heart of the Dallas/Fort Worth Metropolitan area (DFW), has experienced moderate population growth. The North Central Texas Council of Governments estimates the City's population for 2022 at 49,924, which is 2.8% increase over the 2013 population of 48,566.

Multiple light manufacturing firms are in Bedford, as well as a variety of commercial establishments, restaurants, health care facilities, retail stores, shops and food stores. Several of the retail shopping centers in the City are undergoing renovation and expansion. Undeveloped property accounts for approximately 2.0% of the total area in the City.

The City is not financially dependent upon any one industry, or type of industry. The City recognizes the value of commercial development to its economic base and continues to encourage commercial growth that will be beneficial to the community. During the course of the year, the economic base experienced a 13.79% growth in sales tax collections by $1,856,138.

As a policy, the City Council has set certain economic goals that are intended to attract high quality, visually appealing businesses, as well as revitalize and invest in areas that have seen some deterioration of

economic activity. By emphasizing the need to be more business friendly, the goals of the City Council seek to provide the general direction for future land use plans and decisions for the City.

Current longer range financial planning primarily revolves around several major water/sewer system infrastructure projects as well as significant improvements to our drainage system. In addition, as the City is approximately 98% built out, significant planning initiatives are being considered to provide for re-development of certain aging corridors within the City.

A few years ago, the City witnessed the widening of State Highway 183 (Airport Freeway), which runs eastbound/westbound through the center of town. During this period, Bedford officials were highly successful in retaining existing businesses while recruiting new ones to the newly expanded highway corridor. In addition, the City is working diligently with property owners to maximize development opportunities because of the expansion. This includes creating incentive agreements between the City and the business community that creates jobs, enhance the tax base and secure revenue resources for the City.

To the extent that operations result in surplus funds, we will continue to fund various capital needs of a one-time nature from the surplus rather than issuing unnecessary debt.

ECONOMIC DEVELOPMENT

This past year, Bedford issued 100 new-business Certificates of Occupancy, up from 78 in 2021 and 77 in 2020. Some of the new businesses include restaurants such as Chick-fil-A, Central Office Bar & Kitchen, Bourbon Street Bar & Grill, Uzy Pizza & Gyro, Arlanderz Chicken Joint, and of course, tacos - The Dream Tacos, Macarena Taco Shop & Margarita Bar, and Frezko Taco Spot. New Bedford retail locations include Liquor Depot, Spec's Wines, Spirits & Finer Foods. Additionally, Bedford's existing businesses continue to reinvest in the community, with Wal-Mart currently undergoing a $1.2 million remodel, Texas Health Resources HEB Hospital making a $535,000 investment, HEB ISD dedicating $2 million to remodeling their Transition Center, and Linq Transportation constructing a $1 million expansion.

Catalytic Development Projects

In December 2021, the City purchased an approximately 18.5-acre tract of land at Airport Freeway and N. Industrial Blvd., at the eastern entrance into the City. Since that time, the City has been working closely with a private developer to bring a new mixed-use project to the site, which will include townhomes strategically placed around the perimeter of the site, as well as approximately 60,000 square feet of grocery, retail, and restaurant space. The site plan will also incorporate outdoor restaurant seating that overlooks about an acre of open space, meant for gatherings and small events, with paths connecting the businesses to the townhomes. This spring, the existing 1980's building and associated parking will be demolished prior to the City selling the property to the developer, who will then commence construction of the necessary infrastructure to serve the development.

In its current form, the project's estimated $25 million property value and $18 million in sales revenues, will generate over $500,000 in new revenue to the city annually.

Another significant planned mixed-use development is Bedford Commons, which is currently in the planning stages and undergoing engineering review. The 30-acre Commons, located in the heart of the community, will contain destination-driven restaurants, retail, office, entertainment, and townhomes, along with unique active space such as a farmer's market and programmed community square. Bedford Commons has an established Tax Increment Reinvestment Zone (known as a "TIRZ") in place, and the City recently named a master developer, Old Town Development, for this project.

A transformative win for the community and an aging retail center, was the successful recruitment of Rock Island Auction Company's headquarters to Bedford. Rock Island is relocating their HQ from Illinois to the vacant 89,000-square-foot "big box" retail location at 3600 Harwood Road. Their concept plan completely converts the building into the finest brick-and-mortar venue of its type in the world. The purchase also includes the adjacent 47,500-square-foot "strip mall", with the intention of making significant improvements

to the entire center. Rock Island Auction will hold online and in-person auctions of a large variety of antique and collector firearms, generating a notable level of sales tax revenue to the City.

Residential Development

While Bedford is largely built out from a residential perspective, the development of new single-family projects have continued through the redevelopment of larger lot properties. Bedford's City Council recently approved the construction of 32 new single-family homes to be constructed on two undeveloped properties – Woodland Heights Addition(20-lots) and Nicole Court Addition (12-lots); and an additional subdivision is being developed as Oakwood Hills Addition, 53 new homes on just over 10 acres of property formerly occupied by two now-demolished church buildings. Additional residential infill development is expected to continue, as greenfield land remains extremely limited in the Mid-Cities area.

Light Industrial Development

In Bedford's industrial sector, CenterPoint Properties is currently constructing a new speculative 181,250-square foot Class A warehouse distribution center, located on a long-undeveloped 15-acre site, assembled from two separate parcels along Airport Freeway. It will be the first Class A warehouse space built in Bedford since 1995 and is expected to add up to 200 jobs, as well as an estimated $500,000 in additional tax revenue to the City. The site provides future tenants with key transportation access, both regionally and nationally due to its proximity to major highways and the DFW International Airport. The distribution center is anticipated to be complete sometime in 2023.

MAJOR INFRASTRUCTURE PROJECTS

Bedford is experiencing aging infrastructure that need replacement. The Public Works Department has a total of 7 utility projects under design and 5 projects that were completed or are nearing completion.

Harwood Road from the Hurst City Limits to east of Forest Ridge Drive was received a mill and overlay after the completion of the 12-inch water line installation. Forest Ridge Drive from Harwood Road to Bedford Road was also resurfaced after the 12-inch water line installation. The Walter Street Reconstruction Project was designed and construction began last summer on the water line replacement, sanitary sewer line replacement, and full reconstruction of the curbs, gutters, and driveways. Last year, Public Works implemented a new processes for maintaining thoroughfares and local streets. A trial method of a new pavement preservation treatment, High Density Mineral Bond, was applied to streets in various neighborhoods. This new method preserves streets that are in good condition, and which allows the city to spend the available funds on the streets that require more extensive improvements. The most current street assessment already shows an improvement to the city's overall Pavement Condition Index due to the extensive improvements to Harwood Road and Forest Ridge Drive. The $6M 2021 street improvement bond was aimed at improving the curbs, gutters, sidewalks, signage, and traffic signalization on the city's arterials and collectors. Traffic signal technology upgrades were implemented in 2022 to improve mobility through Bedford and will allow for future improvements with emergency services.

The Deuce Drive project is in a commercial district and includes the design of a water line, sanitary sewer, and full reconstruction of an existing failing asphalt road with concrete. The project is under design with construction anticipated in Spring 2023. Finally, the Gregory and Bedford Court Additions project is the design of deteriorated sanitary sewer with numerous work orders for repair and the replacement of curb and gutter and full depth reconstruction or mill and overlay of neighborhood streets with construction planned for Fall/Winter 2023.

In addition to street improvements, Public Works utility crews respond to water and sanitary sewer emergencies and continues to add projects to the utility repair or replacement list and prioritizes for future potential projects. Several water and sanitary sewer improvement projects are currently under design with construction anticipated to begin within the next 12 months. Various utility upgrades are planned for Brown Trail, Bedford Road, Oakhurst Drive, Robindale Drive and Robindale Court, Chattanooga Drive, Joiner Acres, Bell Manor and Forest Ridge No.2, and Pipeline Road. These projects are all south of SH183 and

range in age from 40 years to 60 years old and at the end of their functional life. These are only a fraction of the utility lines that need to be replaced throughout the city.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's proprietary funds are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. The internal control structure is designed to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived and the evaluation of cost and benefits requires estimates and judgments by management. We believe the City's internal control structure is adequate to safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The budgetary process begins each year with the preparation of revenue estimates by the City's Administrative Services staff and expenditure estimates by each City department. Estimates are reviewed by the City Manager and evaluated within the total financial framework. Budget proposals are recommended by the City Manager and reviewed extensively by the City Council, a process that includes a public hearing. After the conclusion of the public hearing, the City Council may make changes as deemed appropriate. The budget is then adopted by ordinance., which also adopts the tax rate.

In addition, the annual budget also contains a capital improvement program which may be revised and extended each year to indicate capital improvements pending or in process of construction or acquisition. The capital program includes a list of all capital improvements that are planned during the upcoming five fiscal years, cost estimates, time schedules and methods of financing for each improvement.

All eligible property within the City is subject to assessment, levy, and collection of a continuing, direct ad valorem tax sufficient to provide for the payment of principal and interest on outstanding bonds within the limits prescribed by law, and the payment of operation and maintenance costs as approved by the City Council. Under state law, the City is limited to a maximum tax rate of $2.50 per $100 assessed valuation. In addition, the City's home rule charter limits the tax rate to a maximum of $1.50 per $100 assessed valuation.

Purpose	FY 2021-2022	FY 2020-2021	FY 2019-2020	FY 2018-2019
Maintenance & Operations	$.386990	$.384633	$.377409	$.344135
Interest & Sinking (Debt Service)	.165010	.184367	.191591	.217727
Total Tax Rate	$.552000	$.569000	$.569000	$.561862

The appraisal of property within the City is the responsibility of the Tarrant Appraisal District (TAD). The City of Bedford and other taxing jurisdictions in Tarrant County provide a pro rata share of the budgeted expenditures incurred by TAD based upon individual levy. The City contracts with the Tarrant County Tax Office for tax billing and collection services.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bedford for its Annual Comprehensive Financial Report (ACFR) for fiscal year ended September 30, 2021. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement a government unit must publish an easily readable and efficiently organized ACFR with contents that conform

to program standards. In addition, an award winning ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This is the 26th consecutive year the City of Bedford has received the Certificate of Achievement. We believe our current report continues to meet the Certificate of Achievement program requirements and we are submitting it to GFOA for their consideration.

ACKNOWLEDGMENTS

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Administrative Services Department. We would like to express our appreciate for assistance provided by our auditors, Weaver and Tidwell, L.L.P. Appreciation is also expressed to the City employees throughout the organization, especially those responsible for the maintenance of records upon which this report is based. The administrative and finance staff also wish to commend and thank the Mayor and the members of the City Council for their leadership and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

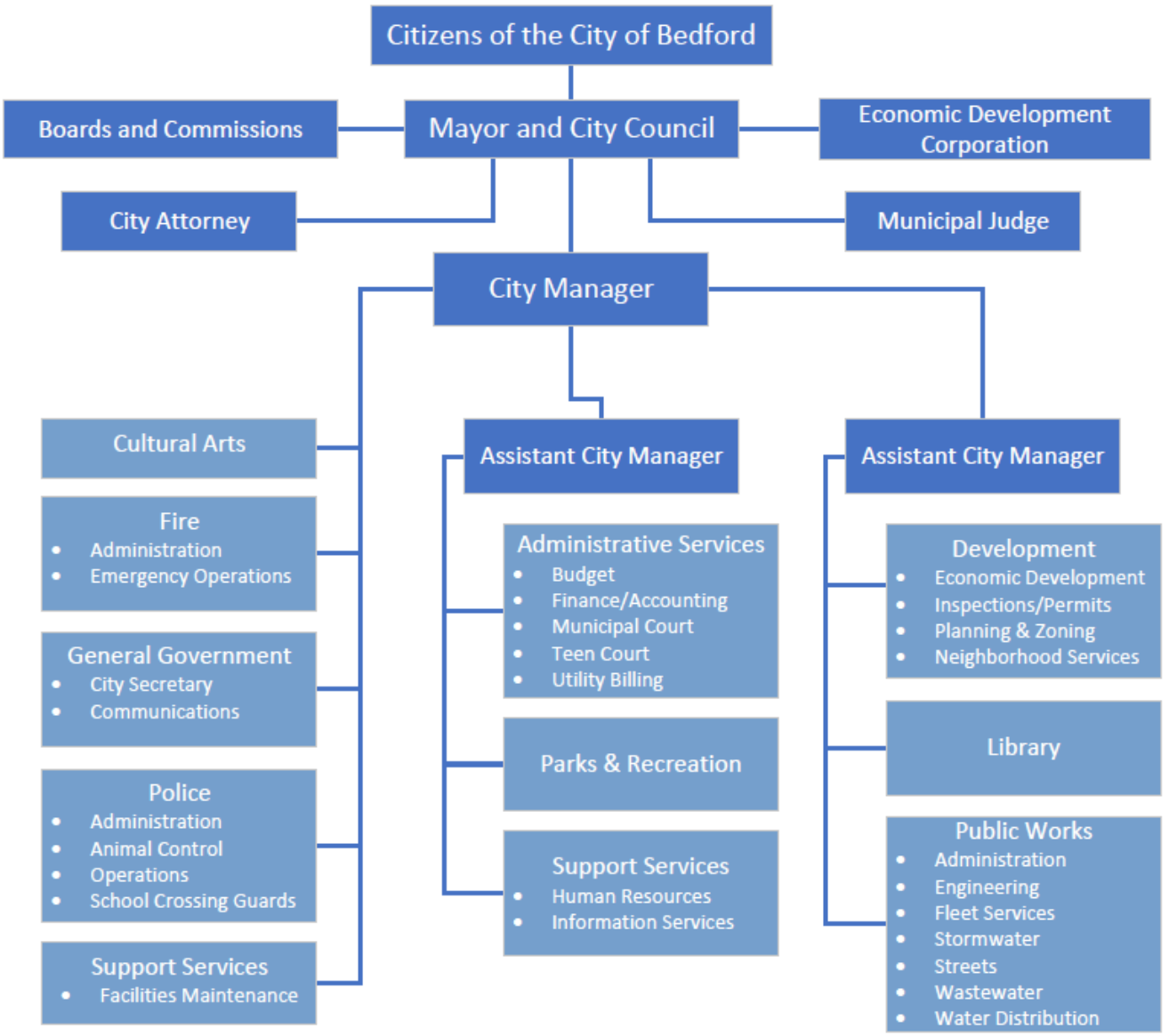
Respectfully submitted,

Jimmy Stathatos
City Manager

Caryn Riggs
Assistant City Manager/CFO

City of Bedford Organizational Chart

(As of December 1, 2022)



Principal Officials
Fiscal Year 2021-2022

BEDFORD CITY COUNCIL

Michael Boyter, Mayor

Nichelle Dawkins, Place 1

Dan Cogan, Place 2

Amy Sabol, Mayor Pro Tem/Place 3

Rich Steves, Place 4

Steve Farco, Place 5

Rob Gagliardi, Place 6

EXECUTIVE LEADERSHIP TEAM

Jimmy Stathatos, City Manager

Caryn Riggs ..... Assistant City Manager

Andrea Roy ..... Assistant City Manager

Stephanie Ayers ..... Director of Human Resources

Molly Fox ..... Director of Communications

Mark Long ..... Director of Parks and Recreation

Levi Miller ..... Information Technology Director

Brady Olsen ..... Finance Director

Maria Redburn ..... Library Director

Cheryl Taylor ..... Director of Public Works/Engineering

Bill Walker ..... Fire Chief

Michael Wells ..... City Secretary

Jeff Williams ..... Police Chief

Annual Comprehensive Financial Report
Fiscal Year 2021-2022

City of Bedford, Texas

Prepared by the Department of Financial Services

Caryn Riggs, C.G.F.O. ..... Assistant City Manager/ Chief Financial Officer

Brady Olsen, C.G.F.O. .....Finance Director

Meg Jakubik, C.G.F.O. .....Strategic Services Manager

Kimberly Robinson, CPA .....Accounting Manager

Chloe Schultz, CPA ..... Accountant

Stefanie Spivey ..... Financial Analyst

Charlenia Castillo .....Senior Accounting Technician

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bedford
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

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Financial Section

weaver
Assurance • Tax • Advisory

Independent Auditor's Report

The Mayor and City Council
City of Bedford, Texas
Bedford, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bedford, Texas (the City) as of and for the year ended September 30, 2022, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

The Mayor and City Council
City of Bedford, Texas
Bedford, Texas

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Mayor and City Council
City of Bedford, Texas
Bedford, Texas

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 22, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 22, 2023

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City of Bedford
Management's Discussion and Analysis
September 30, 2022

The management of the City of Bedford offers readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets and deferred outflows of resources of the City of Bedford exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $88,831,784.
- The City's total net position increased by $13,199,565. The majority of this increase is related to sales, franchise and hotel occupancy taxes. The City also experienced a slight increase in investment earnings.
- As of September 30, 2022, the City of Bedford's governmental funds reported combined ending fund balances of $42,291,961, a decrease of $31,723,583 in comparison with the prior year. This decrease is related to capital projects. 28.64% of this total amount, $12,113,153, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the unassigned fund balance for the general fund was $12,113,153, or 21.64% of total general fund expenditures.
- The City of Bedford's total debt obligations decreased by $7,845,000 or 5.62% due to the annual debt service requirements.

Overview of the Financial Statements

The management discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, other non-financial factors should also be considered.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

In the Statement of Net Position and the Statement of Activities, the City is divided between two kinds of activities:

- **Governmental activities**. Most of the City's basic services are reported here, including the police, fire, library services, community development, public services, information services, park services, municipal court, and general administration. Property taxes, sales taxes, and franchise fees finance most of these activities.
- **Business-type activities**. The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water, sewer and drainage utilities are reported here.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by state law or bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the City of Bedford are divided into two categories: governmental funds and proprietary funds.

Governmental funds. The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a detailed reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds. The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities.

The City of Bedford maintains an enterprise fund to account for water, sewer and drainage services provided to the City's retail and wholesale customers. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City is the trustee, or fiduciary, for the retirees Other Post-Employment Benefits (OPEB). The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and funds financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the general fund revenue and expenditures budget and actual information, as well as, the funding progress and contributions of TMRS and the City's other post-retirement benefits (OPEB).

Government-wide Financial Analysis

The City's combined net position is $88,831,784 as of September 30, 2022. Analyzing the net position and net expenses of governmental and business-type activities separately, business-type activities' net position is $50,858,466. This analysis focuses on the net position and changes in general revenues and significant expenses of the City's governmental and business-type activities.

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the City's net position:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current assets	$ 59,856	$ 88,070	$ 27,219	$ 23,128	$ 87,075	$ 111,198
Restricted investments	-	-	22,787	26,322	22,787	26,322
Capital assets	104,799	67,109	65,464	65,267	170,263	132,376
Total assets	164,655	155,179	115,470	114,717	280,125	269,896
Deferred outflows of resources	3,039	2,940	319	314	3,358	3,254
Current liabilities	24,675	20,363	5,686	6,221	30,361	26,584
Long-term liabilities	101,536	108,006	58,998	61,943	160,534	169,949
Total liabilities	126,211	128,369	64,684	68,164	190,895	196,533
Deferred inflows of resources	3,510	840	247	72	3,757	912
Net Position						
Net Investment in capital assets	45,065	28,141	41,873	40,413	86,938	68,554
Restricted	11,044	10,818	-	7	11,044	10,825
Unrestricted	(18,136)	(10,049)	8,985	6,375	(9,151)	(3,674)
Total net position	$ 37,973	$ 28,910	$ 50,858	$ 46,795	$ 88,831	$ 75,705

Governmental activities. The following table provides a summary of the City's operations for the year ended September 30, 2022. Governmental activities increased the City's net position by $9,134,290, accounting for 69.20% of the total increase in net position. The majority of governmental activities increase in net position is related to operating grants and contributions, as well as an increase in sales tax.

Business-type activities. Business-type activities increased the City's net position by $4,065,275, accounting for 30.80% of the total increase in net position. This is primarily due to an increase in water usage caused by a hot and dry summer.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Charges for services	$ 5,954	$ 4,723	$ 28,298	$ 25,184	$ 34,252	$ 29,907
Operating grants and contributions	3,660	826	-	-	3,660	826
Capital grants and contributions	380	768	484	412	864	1,180
General revenues						
Property taxes	25,361	25,363	-	-	25,361	25,363
Other taxes	19,997	17,611	-	-	19,997	17,611
Interest and investment earnings	437	380	346	337	783	717
Gain (loss) on disposal of assets	(19)	140	(62)	-	(81)	140
Other general revenue	752	426	-	-	752	426
Total revenues	56,522	50,237	29,066	25,933	85,588	76,170
Expenses						
Public safety	27,844	35,130	-	-	27,844	35,130
Leisure services	4,851	6,240	-	-	4,851	6,240
Community services	2,264	4,668	-	-	2,264	4,668
General government/administration	7,941	9,841	-	-	7,941	9,841
Public services	4,962	5,978	-	-	4,962	5,978
Interest on long term debt	2,489	2,576	-	-	2,489	2,576
Water and sewer	-	-	21,072	20,341	21,072	20,341
Stormwater	-	-	966	1,103	966	1,103
Total expenses	50,351	64,433	22,038	21,444	72,389	85,877
Increases (decreases) in net position before transfers	6,171	(14,196)	7,028	4,489	13,199	(9,707)
Transfers	2,963	3,459	(2,963)	(3,459)	-	-
Increase in net position	9,134	(10,737)	4,065	1,030	13,199	(9,707)
Net position - October 1	28,910	39,647	46,795	45,765	75,705	85,412
Cumulative effect of change in accounting principle	(71)	-	(1)	-	(72)	-
Net position - September 30	$ 37,973	$ 28,910	$ 50,858	$ 46,795	$ 88,831	$ 75,705

Financial Analysis of the Government's Funds

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $42,291,961, a decrease of $31,723,583 in comparison with the prior year. Approximately $12,113,153 or 28.64% of the total amount constitutes unassigned fund balance, which is available for spending at the City's discretion. Fund balance of $30,135,106 or 71.25% is restricted to indicate that it is not available for new spending. The City also has prepaid items and inventory totaling $43,702 or 0.10% which are classified as non-spendable fund balance.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund totaled $12,113,153, while total fund balance was $12,156,855. Unassigned fund balance represents 21.64% of total general fund expenditures.

The fund balance of the City's general fund decreased by $8,807,646 during the current fiscal year.

Key factors are as follows:

- Sales tax revenue increase from the previous year of $1,300,680.
- Expenditures also increased due to one-time capital items, such as the Campus West property.

The debt service fund has a total fund balance of $1,557,821, an increase of $464,660.

The economic development 4B fund ending the year with a fund balance of $4,904,331. This is due to an increase in sales tax revenue.

The fund balance of the City's capital projects fund decreased by $25,088,213 during the current fiscal year due to capital project activity primarily related to the Phase Next project.

Other governmental funds have a total fund balance of $4,801,693, an increase of $740,829. The majority of the increase is related to the Tourism Fund.

Proprietary funds. The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Net position in the Enterprise Funds totaled $50,858,466 at the end of the fiscal year 2022, an increase of $4,065,275. Included in net position is $41,873,167 net investment in capital assets. The remaining net position balance of $8,985,299 is unrestricted net position. In the current fiscal year, total operating revenues are $28,297,735 while operating expenses are $20,369,080. Revenue increased over the prior year due to a hot, dry summer.

General Fund Budgetary Highlights

During fiscal year 2021-2022, the City Council of the City of Bedford amended the budget for the General Fund twice. The original expenditure budget was amended to increase the budget by $8,682,470.

The police budget was increased by $272,250 for new uniforms and record management software. The development budget was increased by $8,410,220 to allow the city to purchase the Cross City Church site.

Staff reviewed each supplemental appropriation throughout the year and determined that reserves were sufficient to recommend their increase.

For fiscal year 2021-2022, actual expenditures, including transfers, on a budgetary basis were $55,997,453 compared to the amended budget of $57,019,724. This was a positive $1,022,271 variance. Actual revenue, including transfers, on a budgetary basis was $45,952,566 compared to the amended budget of $47,477,018. This was a negative variance of $1,524,452. This is related to the proper accounting of American Rescue Funding Act funds committed versus spent during the fiscal year. Capital Asset and Debt Administration.

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounted to $169,801,646 (net of accumulated depreciation). This investment in capital assets includes land, buildings, parks, equipment, roads, and water and sewer lines.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	$ 20,062	$ 10,627	$ 100	$ 100	$ 20,162	$ 10,727
Buildings and structures	25,381	25,380	903	904	26,284	26,284
Other improvements	126,400	124,954	-	-	126,400	124,954
Equipment	33,136	32,458	4,169	4,073	37,305	36,531
Right to use leased equipment	5,359	4,443	118	21	5,477	4,464
Utility distribution	-	-	102,972	102,488	102,972	102,488
Construction in progress	61,009	35,458	7,911	6,075	68,920	41,533
Total capital assets	271,347	233,320	116,173	113,661	387,520	346,981
Accumulated depreciation/amortization	(167,010)	(163,406)	(50,709)	(48,380)	(217,719)	(211,786)
Total capital assets net of accumulated depreciation/amortization	$ 104,337	$ 69,914	$ 65,464	$ 65,281	$ 169,801	$ 135,195

Additional information on the City's capital assets can be found in Note 7 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonds outstanding of $131,740,000 in tax supported debt.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligations	$ 67,410	$ 71,420	$ 9,760	$ 10,740	$ 77,170	$ 82,160
Certificates of obligation	4,255	4,895	49,140	50,795	53,395	55,690
Tax note	1,175	1,735	-	-	1,175	1,735
Total	$ 72,840	$ 78,050	$ 58,900	$ 61,535	$ 131,740	$ 139,585

The City of Bedford's bonded debt decreased by $7,845,000 during the current fiscal year. This decrease is related to the city's annual debt payment.

The City maintains an AA credit rating with S&P, indicating very strong financial strength and a low investment risk.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. Additionally, Section 6.01 of the Bedford City Charter states a maximum of $1.50 per $100 assessed valuation to levy taxes. The city's tax rate for FY 2021-22 was $.552000 per $100 assessed valuation.

Additional information on the City's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

The City experienced growth in taxable values this fiscal year. The City's estimated net taxable values grew by 11.55%. The fiscal year 2022-2023 includes total net taxable values of $5,715,698,269 and incorporates a decrease in the tax rate. The adopted rate is $.495726 per $100 valuation.

The City increased the base operating budget for fiscal year 2022-2023 primarily due to compensation increases and decision packages added during the budget process. Decision packages included additional positions for Police, Parks, and Cultural Arts, along with additional hours for Library personnel. The budget also included additional contract funding for Cyber-Security initiatives.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Bedford, Financial Services, 2000 Forest Ridge Drive, Bedford, Texas 76021.

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Basic Financial Statements

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City of Bedford, Texas
Statement of Net Position
Year Ended September 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 45,565,667	$ 21,107,556	$ 66,673,223
Investments	8,544,147	1,521,377	10,065,524
Accounts receivables, net of allowance	5,703,383	3,943,686	9,647,069
Inventories and prepaid expenses	43,702	646,013	689,715
Total current assets	59,856,899	27,218,632	87,075,531
Noncurrent assets			
Restricted investments with trustee	-	22,786,602	22,786,602
Lease receivables	461,416	-	461,416
Capital assets, not being depreciated	81,070,661	8,010,909	89,081,570
Capital assets, being depreciated/amortized, net	23,266,703	57,453,373	80,720,076
Total noncurrent assets	104,798,780	88,250,884	193,049,664
Total assets	164,655,679	115,469,516	280,125,195
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension and OPEB contributions	2,902,818	244,819	3,147,637
Deferred pension and OPEB change in assumptions	61,553	5,419	66,972
Deferred charges on refundings	74,549	68,925	143,474
Total deferred outflows of resources	3,038,920	319,163	3,358,083
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8,021,303	1,365,199	9,386,502
Accrued interest	419,706	287,703	707,409
Customer deposits	-	1,188,237	1,188,237
Unearned revenue	8,541,968	-	8,541,968
Current portion of leases payable	1,144,559	22,543	1,167,102
Current portion of bonds payable and tax notes	5,095,776	2,744,856	7,840,632
Current portion of compensated absences	1,451,974	77,052	1,529,026
Total current liabilities	24,675,286	5,685,590	30,360,876
Noncurrent liabilities			
Leases payable	1,510,123	68,804	1,578,927
Bonds payable and tax notes	70,467,667	56,601,710	127,069,377
Compensated absences	2,538,727	84,272	2,622,999
Net pension liability	25,443,502	2,239,560	27,683,062
Other post-employment benefits	1,575,801	3,158	1,578,959
Total noncurrent liabilities	101,535,820	58,997,504	160,533,324
Total liabilities	126,211,106	64,683,094	190,894,200
DEFERRED INFLOWS OF RESOURCES			
Lease related	701,470	-	701,470
Deferred pension and OPEB investment difference	2,279,900	200,560	2,480,460
Deferred pension and OPEB experience difference	528,805	46,559	575,364
Total deferred inflows of resources	3,510,175	247,119	3,757,294
NET POSITION			
Net investment in capital assets	45,065,050	41,873,167	86,938,217
Restricted for			
Street, drainage, and capital improvements	2,537,851	-	2,537,851
Debt service	1,338,327	-	1,338,327
Economic development	4,904,331	-	4,904,331
Community services	1,775,004	-	1,775,004
Public safety	376,959	-	376,959
Parks and beautification	111,879	-	111,879
Unrestricted (deficit)	(18,136,083)	8,985,299	(9,150,784)
TOTAL NET POSITION	$ 37,973,318	$ 50,858,466	$ 88,831,784

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas
Statement of Activities
Year Ended September 30, 2022

Program Activities	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
General government and administration	$ 7,941,147	$ 84,800	$ 3,624,247	$ -
Community services	2,264,255	1,139,417	-	-
Public services	4,962,341	-	-	249,813
Public safety	27,843,780	4,562,056	35,702	119,744
Leisure services	4,851,279	167,546	-	9,961
Interest expense	2,488,857	-	-	-
Total governmental activities	50,351,659	5,953,819	3,659,949	379,518
Business-type activities				
Water and sewer services	21,071,772	26,430,327	-	401,638
Stormwater collection and disposal	966,350	1,867,408	-	82,267
Total business-type activities	22,038,122	28,297,735	-	483,905
TOTAL PRIMARY GOVERNMENT	$ 72,389,781	$ 34,251,554	$ 3,659,949	$ 863,423

General revenues	
Taxes	
Property taxes, penalty and interest	
Sales	
Franchise	
Occupancy	
Investment earnings	
Loss on disposal of asset	
Miscellaneous	
Transfers	
Total general revenues and transfers	
Changes in net position	
Net position, beginning of year	
Cumulative effect of change in accounting principle	
Net position, beginning of year, restated	
NET POSITION, end of year	

The Notes to the Financial Statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
$ (4,232,100)	$ -	$ (4,232,100)
(1,124,838)	-	(1,124,838)
(4,712,528)	-	(4,712,528)
(23,126,278)	-	(23,126,278)
(4,673,772)	-	(4,673,772)
(2,488,857)	-	(2,488,857)
(40,358,373)	-	(40,358,373)
-	5,760,193	5,760,193
-	983,325	983,325
-	6,743,518	6,743,518
$ (40,358,373)	$ 6,743,518	$ (33,614,855)
$ 25,361,450	$ -	$ 25,361,450
15,606,501	-	15,606,501
3,046,939	-	3,046,939
1,343,965	-	1,343,965
437,720	346,006	783,726
(19,263)	(61,546)	(80,809)
752,648	-	752,648
2,962,703	(2,962,703)	-
49,492,663	(2,678,243)	46,814,420
9,134,290	4,065,275	13,199,565
28,910,064	46,793,940	75,704,004
(71,036)	(749)	(71,785)
28,839,028	46,793,191	75,632,219
$ 37,973,318	$ 50,858,466	$ 88,831,784

City of Bedford, Texas
Balance Sheet – Governmental Funds
September 30, 2022

	General	Debt Service	Economic Development 4B
ASSETS			
Cash and cash equivalents	$ 12,020,564	$ 1,558,154	$ 4,359,056
Investments	8,040,399	366	503,382
Receivables			
Taxes, less allowance for uncollectible	3,034,475	97,523	675,511
Accounts	416,985	-	267,116
Lease	701,470	-	-
Other	558,495	3,249	-
Due from other funds	27,293	-	-
Inventories and prepaid items	43,702	-	-
Total assets	24,843,383	1,659,292	5,805,065
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	3,020,807	1,365	900,734
Due to other funds	-	-	-
Unearned revenue	8,541,968	-	-
Total liabilities	11,562,775	1,365	900,734
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	422,283	100,106	-
Lease related	701,470	-	-
Total deferred inflows of resources	1,123,753	100,106	-
FUND BALANCES			
Nonspendable			
Inventories and prepaid items	43,702	-	-
Restricted for			
Debt service	-	1,557,821	-
Street and drainage improvements	-	-	-
Capital acquisition and construction	-	-	-
Economic development	-	-	4,904,331
Community services	-	-	-
Public safety	-	-	-
Parks and beautification	-	-	-
Unassigned	12,113,153	-	-
Total fund balances	12,156,855	1,557,821	4,904,331
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 24,843,383	$ 1,659,292	$ 5,805,065

The Notes to the Financial Statements are an integral part of this statement.

Capital Projects	Nonmajor Government	Total
$ 22,906,004	$ 4,721,889	$ 45,565,667
-	-	8,544,147
-	-	3,807,509
-	170,751	854,852
-	-	701,470
-	239,224	800,968
-	-	27,293
-	-	43,702
22,906,004	5,131,864	60,345,608
4,034,743	63,654	8,021,303
-	27,293	27,293
-	-	8,541,968
4,034,743	90,947	16,590,564
-	239,224	761,613
-	-	701,470
-	239,224	1,463,083
-	-	43,702
-	-	1,557,821
-	2,537,851	2,537,851
18,871,261	-	18,871,261
-	-	4,904,331
-	1,775,004	1,775,004
-	376,959	376,959
-	111,879	111,879
-	-	12,113,153
18,871,261	4,801,693	42,291,961
$ 22,906,004	$ 5,131,864	$ 60,345,608

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City of Bedford, Texas
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
September 30, 2022

Fund balances of governmental funds		$ 42,291,961
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets (net of accumulated depreciation/amortization) used in governmental activities are not current financial resources and therefore are not reported as assets in the governmental funds. Capital assets are reported in the government-wide financial statements, net of accumulated depreciation/amortization.		104,337,364
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet.		(419,706)
Revenues earned but not available within 60 days of the year-end are not recognized as revenue on the fund financial statements.		761,613
Deferred outflows of resources and deferred inflows of resources represent amounts related to future periods and, therefore, are not reported in the fund financial statements. Deferred outflows of resources and deferred inflows of resources at year-end consist of:		
Employer pension and OPEB contributions	$ 2,902,818	
Pension and OPEB change in assumptions	61,553	
Deferred charges on refundings	74,549	
Pension and OPEB Investment difference	(2,279,900)	
Pension and OPEB experience difference	(528,805)	230,215
Noncurent liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements. Noncurrent liabilities at year-end consist of:		
General and contractual obligation bonds	(72,840,000)	
Bond premium	(2,723,443)	
Leases payable	(2,654,682)	
Net pension liability	(25,443,502)	
Compensated absences	(3,990,701)	
OPEB liability	(1,575,801)	(109,228,129)
Total net position of governmental activities		$ 37,973,318

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds
Year Ended September 30, 2022

	General	Debt Service	Economic Development 4B
REVENUES			
Taxes, penalty and interest	$ 32,474,068	$ 7,608,439	$ 3,830,138
Licenses, permits, and fees	1,199,366	-	-
Charges for services	2,534,066	-	-
Fines and forfeitures	1,079,360	-	-
Support from governmental entities	1,086,154	-	-
Interest	103,539	12,342	26,395
Miscellaneous	4,057,217	-	139,000
Total revenues	42,533,770	7,620,781	3,995,533
EXPENDITURES			
Current			
General government	4,273,746	-	-
Community services	1,744,658	-	-
Public services	2,494,835	-	1,943,791
Administrative services	3,448,098	-	-
Public safety	27,348,814	-	-
Leisure services	4,174,361	-	-
Capital outlay	12,384,083	-	131,487
Debt service			
Principal retirement	-	4,600,000	610,000
Interest and fiscal agent fees	113,858	2,566,538	52,508
Total expenditures	55,982,453	7,166,538	2,737,786
Excess (deficiency) of revenues over (under) expenditures	(13,448,683)	454,243	1,257,747
OTHER FINANCING SOURCES (USES)			
Transfers in	3,418,796	10,417	-
Transfers out	(15,000)	-	(290,960)
Lease financing proceeds	903,411	-	-
Insurance proceeds	333,830	-	-
Total other financing sources (uses)	4,641,037	10,417	(290,960)
Net change in fund balance	(8,807,646)	464,660	966,787
Fund balances, beginning of year	20,964,501	1,093,161	3,937,544
FUND BALANCES, end of year	$ 12,156,855	$ 1,557,821	$ 4,904,331

The Notes to the Financial Statements are an integral part of this statement.

Capital Projects	Nonmajor Government	Total
$ -	$ 1,343,965	$ 45,256,610
-	-	1,199,366
-	-	2,534,066
-	93,863	1,173,223
-	88,481	1,174,635
267,147	28,297	437,720
1,297	110,515	4,308,029
268,444	1,665,121	56,083,649
-	-	4,273,746
-	438,244	2,182,902
-	-	4,438,626
-	-	3,448,098
-	178,389	27,527,203
14,822	-	4,189,183
25,331,418	170,862	38,017,850
-	-	5,210,000
-	120	2,733,024
25,346,240	787,615	92,020,632
(25,077,796)	877,506	(35,936,983)
-	15,000	3,444,213
(10,417)	(165,133)	(481,510)
-	13,456	916,867
-	-	333,830
(10,417)	(136,677)	4,213,400
(25,088,213)	740,829	(31,723,583)
43,959,474	4,060,864	74,015,544
$ 18,871,261	$ 4,801,693	$ 42,291,961

City of Bedford, Texas

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2022

Net change in fund balances – total governmental funds		$ (31,723,583)
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.		38,017,850
The values of donated capital assets are not recorded in the governmental funds because they do not provide current financial resources, but they are recognized as capital contributions in the statement of activities.		225,813
Depreciation/amortization expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation/amortization expense is not reported as expenditures in the governmental funds.		(3,801,392)
Governmental funds report proceeds from sales of capital assets as other financing sources, but they are reported net of any remaining net book value of assets sold, or disposed of without proceeds, in the statement of activities.		(19,263)
Current year principal payments of long-term liabilities are shown as expenditures in the fund financial statements, but shown as reductions in long-term liabilities in the government-wide financial statements as follows:		
General and certificates of obligation bonds	$ 5,210,000	
Leases payable	1,138,132	
		6,348,132
The issuance of long-term debt, such as bonds and capital leases, are shown as "Other Sources" and "Other Uses" in the governmental funds, but are shown on the statement of net position with related costs amortized over the life of the bonds. Differences consist of the following:		
Lease financing proceeds	(916,867)	
Additions (amortization) of refunding loss	(7,541)	
Amortization and refunding of bond premium	220,776	
		(703,632)
Current year pension expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows of resources and deferred inflow of resources balances.		969,533
Current year OPEB benefit reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in OPEB liability, deferred outflows of resources and deferred inflow of resources balances.		(115,590)
Current year change in long-term liability for compensated absences liability do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds. This is reflected in current and noncurrent compensated absences.		6,273
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		30,932
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. This is the net change in these revenues for the year.		(100,783)
Change in net position of governmental activities		$ 9,134,290

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas
Statement of Net Position
Proprietary Funds
September 30, 2022

	Water and Sewer	Stormwater Utility	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 17,419,264	$ 3,688,292	$ 21,107,556
Investments	762,416	758,961	1,521,377
Accounts receivable, net of allowance	3,694,704	248,982	3,943,686
Prepaid items	646,013	-	646,013
Total current assets	22,522,397	4,696,235	27,218,632
Noncurrent assets			
Restricted investments with trustee	22,786,602	-	22,786,602
Property, plant and equipment			
Land	100,255	-	100,255
Equipment	3,903,608	265,403	4,169,011
Buildings and improvements	903,239	-	903,239
Utility distribution	88,056,981	14,914,891	102,971,872
Construction in progress	5,459,164	2,451,490	7,910,654
Right of Use Asset	118,208	-	118,208
Less accumulated depreciation	(41,726,480)	(8,982,477)	(50,708,957)
Property, plant and equipment, net	56,814,975	8,649,307	65,464,282
Total noncurrent assets	79,601,577	8,649,307	88,250,884
Total assets	102,123,974	13,345,542	115,469,516
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension and OPEB contributions	217,404	27,415	244,819
Deferred pension and OPEB change in assumptions	4,811	608	5,419
Deferred charges on refundings	32,340	36,585	68,925
Total deferred outflows of resources	254,555	64,608	319,163
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	1,346,531	18,668	1,365,199
Accrued interest	258,246	29,457	287,703
Customer deposits	1,188,237	-	1,188,237
Current portion compensated absences	71,089	5,963	77,052
Current portion of bonds payable	2,395,634	349,222	2,744,856
Current portion of leases payable	22,543	-	22,543
Total current liabilities	5,282,280	403,310	5,685,590
Noncurrent liabilities			
Net pension liability	1,988,454	251,106	2,239,560
Bonds payable	51,563,384	5,038,326	56,601,710
Compensated absences	84,059	213	84,272
Other post-employment benefits	3,158	-	3,158
Leases payable	68,804	-	68,804
Total noncurrent liabilities	53,707,859	5,289,645	58,997,504
Total liabilities	58,990,139	5,692,955	64,683,094
DEFERRED INFLOWS OF RESOURCES			
Deferred pension and OPEB investment difference	178,079	22,481	200,560
Deferred pension and OPEB experience difference	41,340	5,219	46,559
Total deferred inflows of resources	219,419	27,700	247,119
NET POSITION			
Net investment in capital assets	36,170,734	5,702,433	41,873,167
Unrestricted	6,998,237	1,987,062	8,985,299
TOTAL NET POSITION	$ 43,168,971	$ 7,689,495	$ 50,858,466

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas

Statement of Revenues, Expenses and
Changes in Fund Net Position – Proprietary Funds
Year Ended September 30, 2022

	Water and Sewer	Stormwater Utility	Total
OPERATING REVENUES			
Water sales	$ 16,831,259	$ -	$ 16,831,259
Charges for sewer services	9,234,586	-	9,234,586
Stormwater charges	-	1,837,408	1,837,408
Other	364,482	30,000	394,482
Total operating revenues	26,430,327	1,867,408	28,297,735
OPERATING EXPENSES			
Water supply and distribution	9,984,278	-	9,984,278
Wastewater collection and disposal	5,053,553	-	5,053,553
Billing and collection	1,491,678	490,684	1,982,362
Public services/engineering	1,004,563	-	1,004,563
Depreciation and amortization	2,027,407	316,917	2,344,324
Total operating expenses	19,561,479	807,601	20,369,080
OPERATING INCOME	6,868,848	1,059,807	7,928,655
NONOPERATING REVENUES (EXPENSES)			
Interest income	321,623	24,383	346,006
Loss on sale of assets	(61,546)	-	(61,546)
Interest expense and fiscal agent charges	(1,510,293)	(158,749)	(1,669,042)
Total nonoperating revenues (expenses)	(1,250,216)	(134,366)	(1,384,582)
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	5,618,632	925,441	6,544,073
CAPITAL CONTRIBUTIONS	401,638	82,267	483,905
TRANSFERS IN	74,437	-	74,437
TRANSFERS OUT	(2,662,283)	(374,857)	(3,037,140)
CHANGE IN NET POSITION	3,432,424	632,851	4,065,275
NET POSITION, beginning of year	39,737,296	7,056,644	46,793,940
Cumulative effect of change in accounting standard	(749)	-	(749)
NET POSITION, beginning of year, restated	39,736,547	7,056,644	46,793,191
NET POSITION, end of year	$ 43,168,971	$ 7,689,495	$ 50,858,466

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas

Statement of Cash Flows – Proprietary Funds
Year Ended September 30, 2022

	Water and Sewer	Stormwater Utility	Total
OPERATING ACTIVITIES			
Receipts from customers and users	$ 26,140,563	$ 1,832,637	$ 27,973,200
Payments to suppliers	(15,630,138)	(314,087)	(15,944,225)
Payments to or on behalf of employees for services	(2,431,985)	(282,890)	(2,714,875)
Net cash provided by operating activities	8,078,440	1,235,660	9,314,100
NONCAPITAL FINANCING ACTIVITIES			
Transfers in	74,437	-	74,437
Transfers out	(2,662,283)	(374,857)	(3,037,140)
Net cash used in noncapital financing activities	(2,587,846)	(374,857)	(2,962,703)
CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on capital related debt	(2,346,384)	(335,000)	(2,681,384)
Interest and fiscal agent fees	(1,510,293)	(167,971)	(1,678,264)
Acquisition and construction of capital assets	(2,016,027)	(103,188)	(2,119,215)
Net cash used in capital and related financing activities	(5,872,704)	(606,159)	(6,478,863)
INVESTING ACTIVITIES			
Purchase of investments	7,034,777	-	7,034,777
Proceeds from sale of investments	-	(6,458)	(6,458)
Interest on investments	321,623	24,383	346,006
Net cash provided by operating activities	7,356,400	17,925	7,374,325
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,974,290	272,569	7,246,859
CASH AND CASH EQUIVALENTS, beginning of year	10,444,974	3,415,723	13,860,697
CASH AND CASH EQUIVALENTS, end of year	$ 17,419,264	$ 3,688,292	$ 21,107,556

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas

Statement of Cash Flows – Proprietary Funds
Year Ended September 30, 2022

	Water and Sewer	Stormwater Utility	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	$ 6,868,848	$ 1,059,807	$ 7,928,655
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation and amortization	2,027,407	316,917	2,344,324
Changes in			
Receivables	(323,022)	(34,771)	(357,793)
Prepaid items	20,698	-	20,698
Accounts payable and accrued liabilities	(583,051)	(72,941)	(655,992)
Pension & other post employment benefits	(18,765)	(31,895)	(50,660)
Leases	91,347	-	91,347
Compensated absences	(38,280)	(1,457)	(39,737)
Customer deposits	33,258	-	33,258
Net cash provided by operating activities	$ 8,078,440	$ 1,235,660	$ 9,314,100
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Contributions	$ 401,638	$ 82,267	$ 483,905

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas
Statement of Fiduciary Net Position
September 30, 2022

	OPEB Trust Fund
ASSETS	
Investments (fair value)	$ 48,919
Total current assets	48,919
NET POSITION	
Restricted for other post-employment benefits	48,919
TOTAL NET POSITION	$ 48,919

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas

Statement of Changes in Fiduciary Net Position
Year Ended September 30, 2022

	OPEB Trust Fund
ADDITIONS	
Employer contributions	$ 52,380
Investment income	3,884
Total additions	56,264
DEDUCTIONS	
Benefit payments	52,380
Total deductions	52,380
CHANGE IN NET POSITION	3,884
NET POSITION, beginning of year	45,035
NET POSITION, end of year	$ 48,919

The Notes to the Financial Statements are an integral part of this statement.

Note 1. Summary of Significant Accounting Policies

The City of Bedford, Texas (City) Home Rule Charter was adopted September 24, 1966. The City operates under a Council/Manager form of government and provides the following services by its charter: public safety, public works, health, culture, recreation, community development, water and sewer utilities.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. Management uses estimates and assumptions in preparing financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, the disclosure of contingent assets and liabilities, and the reported revenues, expenditures and expenses. Actual results could vary from the estimates that are used.

Significant policies of the City are described below.

A. Financial Reporting Entity

Generally accepted accounting principles require that financial statements present the City (primary government) and its component units. Component units are organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The accompanying general purpose financial statements comply with the provisions of the GASB Statement No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34, in that the financial statements include all organizations, activities, functions and component units for which the City is financially accountable or those which would be misleading to exclude. In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. Based on these criteria, the following blended component unit is included in the accompanying financial statements. Blended component units, although legally separate entities are, in substance, part of the City's operations.

The City Street Improvement Economic Development Corporation (EDC) is governed by a seven-member board appointed by the City Council. Although it is legally separate from the City, the EDC is reported as if it were part of the primary government because its sole purpose is to operate, maintain, and finance the costs of the City's street improvements using taxes collected under Section 4B of the Development Corporation Act of 1979. Separate financial statements are not available.

B. Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

The primary effect of internal activity has been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation on the government-wide statement of activities.

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The City reports the following major governmental funds:

- General Fund – is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- Debt Service Fund – is used to account for the accumulation of resources for the payment of general long-term obligations principal, interest and related costs.
- Economic Development 4B Fund – is used to account for revenues and expenses associated with the operation, maintenance and financing of the costs of the City's street improvements. The fund's primary revenue source is sales taxes, and a small amount of interest.
- Capital Projects Fund – is used to account for construction projects funded from major resources such as general obligation bonds, certificates of obligation, short-term obligations and operating funds for governmental purposes.

All proprietary funds account for operations that are primarily financed by user charges.

The City reports the following proprietary funds:

- Water and Sewer Fund – accounts for providing water and sewer services to residential and commercial users in the City.
- Stormwater Utility Fund – accounts for the storm drainage runoff service provided to the residential and commercial users of the City.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, charges for services (except for sanitation services), fines and forfeitures, rents, and concessions are recorded as revenues when received in cash because they are generally not measurable until actually received. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers cash and cash equivalents to be all unrestricted cash and certificates of deposit with an original maturity date of three months or less.

E. Investments

Investments in debt securities and money market mutual funds are carried at fair value. Fair value is determined using quoted market prices. Investments in nonnegotiable certificates of deposit are carried at cost.

Investments in external investment pools are carried at net asset value or amortized cost, as determined by each pool's individual investment valuation method and whether there is a readily determinable fair value of the pool as of the City's fiscal year end. In instances where pools transact at amortized cost, no readily determinable fair value is deemed available.

F. Receivables

Accounts receivable consist primarily of amounts due from citizens for various services provided by the City as well as property taxes and sales taxes receivable. Management evaluates the adequacy of the allowance for doubtful accounts based on a review of individual accounts. The primary factors considered in determining the amount of the allowance are collection history, the aging of the accounts and other specific information known to management that may affect collectability.

G. Inventories

Inventories in the general and proprietary fund types are carried at cost (first-in, first-out method). The City uses the consumption method for determining cost; inventories are recognized as expenditures when consumed.

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure such as roads, bridges, drainage systems and lighting systems, are reported at historical cost. Contributed assets are recorded at their acquisition value as of the date received. Depreciation is recorded on each class of depreciable property utilizing the straight-line method over the estimated useful lives of the assets. Estimated useful lives of major categories of property are:

Buildings	20 – 40 years
Infrastructure	20 – 30 years
Water and sewer system	50 years
Improvements	10 – 20 years
Machinery and equipment	3 – 10 years

The minimum capitalization threshold is any item with a total cost greater than $5,000 and a useful life greater than one-year.

Right-to-use leased assets are amortized over the duration of the lease using the straight-line method.

I. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick, holiday, and comp time benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service from the City.

Vested or accumulated vacation, holiday, or comp time leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay only if the compensated absences have matured with unused reimbursable leave outstanding following an employee's resignation or retirement. Vested or accumulated vacation leave within proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of such liabilities. For governmental activities, compensated absences are generally liquidated by the general fund.

J. Long-Term Debt

General Obligation bonds issued for general government capital projects that are to be repaid from tax revenues of the City are recorded in the government-wide statement of net position. Tax anticipation notes have been issued to fund permanent public improvements related to public safety communications and network infrastructure. Such notes are to be repaid from tax revenues of the City and are recorded in the government-wide statement of net position. Revenue bonds issued for proprietary fund assets that are to be repaid by the proprietary fund are recorded in the proprietary funds.

Revenue bonds have been issued to fund capital projects of proprietary funds. Such bonds are to be repaid from the net revenues of the applicable proprietary fund.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method in the government-wide financial statements. Issuance costs are recognized as an expense in the period incurred. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as, issuance costs, in the current period. The face amount of the debt issued is reflected as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Leases

Effective October 1, 2021, the City implemented GASB Statement No. 87, *Leases*, which required the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Lessee –

The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary funds financial statements.

At implementation of GASB Statement No. 87, the City initially measured the lease liabilities at the present value of payments expected to be made during the remaining lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease right-to-use asset was initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease right-to use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor—

The City recognizes a lease receivable and deferred inflow of resources in the government-wide, and governmental funds financial statements.

At implementation of GASB Statement No. 87, the City measured the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.
Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a re-measurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

L. Defined Benefit Pension Plans

For purposes of measuring the net pension liability, pension related deferred outflows of resources and deferred inflows of resources, and pension expense, City specific information about its fiduciary net position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's fiduciary net position have been determined on the same basis as reported by TMRS. For this purpose, plan contributions are recognized in the period compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's total pension liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of the liability. For governmental activities, net pension liabilities are generally liquidated by the general fund.

M. Other Post-Employment Benefits (OPEB)

The fiduciary net position of the retiree health plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from the fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account. Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of the liability. For governmental activities, net OPEB liabilities are generally liquidated by the general fund. The specific activities reported in the fiduciary statements are the contributions to and the benefit payments from the retiree health plan, and earnings on those and previously existing investments for the fiscal year ended December 31, 2021.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources.

This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- *Deferred charges on refunding* – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- *Employer Contributions* – Pensions and OPEB – These contributions are those made after the measurement date through the fiscal year end (January 1st – September 30th) resulting in a cash outlay not yet recognized under GASB 68 and 75. This amount is deferred and recognized in the following fiscal year.
- *Experience difference* – Pensions and OPEB – These amounts represent the difference in expected and actual pension and OPEB experience. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- *Assumption changes* – Pensions and OPEB – These amounts represent the difference resulting from a change in assumptions used to measure the underlying net pension and OPEB liability. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category.

- *Experience difference* – Pensions and OPEB – These amounts represent the difference in expected and actual pension and OPEB experience. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- *Investment difference* – Pensions and OPEB – These amounts represent the difference in projected and actual earnings on pension and OPEB plan assets. These differences are deferred and amortized over a closed five-year period.
- *Assumption changes* – Pensions and OPEB – These amounts represent the difference resulting from a change in assumptions used to measure the underlying net pension and OPEB liability. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- *Unavailable revenues* – These amounts represent uncollected property taxes, uncollected ambulance revenue and property assessments. These amounts are deferred in the fund's financial statements and recognized once payments are received in the following fiscal year(s).
- *Deferred inflows related to leases* – These amounts represent future collections of lease receivables, and are deferred in both the fund and government wide financial statements. These amounts are recognized as the lease payments are received over the lives of the leases.

Fund allocation of pension related balances is determined by individual employee assignment and is modeled by allocation of the net pension liability. This assignment is uniform with regard to liquidation of the net pension liability.

O. Interfund Transactions

During the course of normal City operations, transactions occur between funds, including reimbursement of expenditures and transfers of resources to provide services, construct assets and service debt. There is no interest charged between funds for these advances. Interfund transactions are eliminated upon consolidation in the government-wide financial statements unless the transaction is deemed to be at market or near market value and is reported as revenue, expenditure or expense.

P. Net Position

Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, donors, grantors or laws or regulations of other governments.

The net position of the Tourism Development Fund and the Economic Development 4B Fund are restricted by enabling legislation as indicated on the statement of net position. The City's policy is to use restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Q. Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Balances include items not expected to be converted to cash including inventories and prepaid items.
- *Restricted* – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the City Council, the City's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- *Assigned* – This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council.
- *Unassigned* – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds.

R. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows of resources, deferred inflows of resources and contingent assets and liabilities as of the balance sheet date and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

S. New Accounting Pronouncements

The GASB pronouncements effective in fiscal year 2022 and beyond are listed as follows:

GASB Statement No. 87, *Leases*, increases the usefulness of government financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement were effective for reporting periods beginning after June 15, 2021. The City has implemented this Statement in fiscal year 2022.

GASB Statement No. 87, *Leases*, was implemented by the City effective October 1, 2021, the first day of the 2022 fiscal year, which resulted in a restatement of opening net position totaling $71,036 and $749 for Governmental and Business-type activities, respectively. The $71,036 decrease in Governmental activities' opening net position was the net effect of establishing the governmental type of right-to-use leased equipment assets of $2,804,911 (net of accumulated amortization), and the governmental type lease liabilities of $2,875,947 as of October 1, 2021. The $749 decrease in Business-type activities net position was the net effect of establishing the business-type right-to-use leased equipment assets of $13,533 (net of accumulated amortization), and the business-type lease liabilities of $14,282 as of October 1, 2021.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing these relationships and availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The City is currently evaluating the impact of this Statement.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA*), provides guidance on the accounting and financial reporting of contractual arrangements. It defines SBITA; establishes that a SBITA results in a right-to-use subscription asset; provides capitalization criteria; and requires note disclosures. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The City is currently evaluating the impact of this Statement.

GASB Statement No. 97, *Certain Component Unit Criteria*, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that governing board typically would perform; mitigates costs associated with the reporting of certain defined contribution pension, OPEB and benefit plans other than pension or OPEB plans; and enhances the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement related to the accounting and financial reporting for Section 457 plans was effective for fiscal years beginning after June 15, 2021 and have no impact on the City's financial statements.

GASB Statement No. 99, *Omnibus 2022*, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement related to extension of use of London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended and terminology updates related to Statements No. 53 and 63 are effective immediately and implemented in the current year. All other requirements of this Statement are effective for fiscal years beginning after June 15, 2022, or June 15, 2023. The City is currently evaluating the impact of this Statement.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, enhances the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City is currently evaluating the impact of this Statement.

GASB Statement No. 101, *Compensated Absences*, will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The City is currently evaluating the impact of this Statement.

T. Subsequent Events

The City's management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended September 30, 2022, through March 22, 2023, the date the financial statements were issued. Management is not aware of any subsequent events that would require recognition or disclosure in the accompanying financial statements.

Note 2. Deposits and Investments

The deposit and investment policies of the City are governed by State Statutes and the adopted City Investment Policy. City policies governing bank deposits require depositories to be insured by the Federal Deposit Insurance Corporation (FDIC). Financial institutions, and depositories must fully collateralize all deposits in excess of FDIC insurance limits.

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agency securities, repurchase agreements and municipal pools. The City utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

Investments measured at fair value are categorized within the fair value hierarchy. Fair value refers to the price that would be received to sell as asset or paid to transfer a liability in orderly transaction between market participants at the measurement date.

The hierarchy provides a framework for measuring fair value based on three levels. The three level fair value hierarchy describes the inputs that are used to measure assets and liabilities.

Level 1	Quoted prices in active markets for identical assets or liabilities;
Level 2	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
Level 3	Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The fair value hierarchy gives the highest priority to Level 1 and the lowest priority to level 3 inputs. If a price for an identical asset or liability is not observable a government should measure fair value using another valuation technique that maximizes the use of an asset inputs from more than one level of the fair value hierarchy. The measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The following table presents the weighted average maturity, credit rating, and fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2022:

September 30, 2022	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Weighted Average Maturity (Days)	Standard & Poor's Credit Rating
Investments by fair value level						
Money market mutual funds	$ 22,786,602	$ 22,786,602	$ -	$ -	1 day	AAAm
Total investments by fair value level	22,786,602	$ 22,786,602	$ -	$ -		
Investments measured at net asset value						
TexSTAR	2,882,484				47 days	AAAm
Texas CLASS	8,034,289				41 days	AAAm
	10,916,773					
Non-negotiable certificate of deposit	10,058,718				124 days	N/A
Total	$ 43,762,093					

Investment Pools and non-negotiable Certificates of Deposit are measured at net asset value (NAV) and are exempt from fair value reporting and therefore have been excluded from the hierarchy.

Money market mutual funds classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for identical assets or liabilities.

The TexStar and Texas CLASS are external investment pools measured at NAV. These investment pool's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the investment pools. Each of these investment pools has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pool's liquidity. These investment pools are authorized by the Texas Legislature. The Texas Treasury Safekeeping Trust Company is the trustee and is a limited purpose trust company authorized pursuant to Texas Government Code.

Interest Rate Risk — In accordance with its investment policy, the City manages its exposure to declines in fair market values by investing operating funds primarily in short-term securities, money market mutual funds or similar investment pools. Furthermore, unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three years from the date of purchase.

Credit Risk — It is the City's policy to follow statutes, which authorize the City to invest in obligations of the U. S. Treasury agencies and instrumentalities, obligations of the state of Texas and related agencies, obligations of states, agencies, counties, cities and other political subdivisions of any state rated "A" or above by Standard & Poor's Corporation or Moody's, repurchase agreements and designated investment pools. The City's assets in investment pools meet this requirement as noted above.

Custodial Credit Risk — Investments — In accordance with its investment policy, the City minimizes custodial credit risk by limiting investments to the safest types of investment vehicles, prequalifying the financial institutions, brokers/dealers, intermediaries and advisors with which the City will do business and diversifying the investment portfolio so that potential losses on individual investments will be minimized. Currently, all investments are registered in the City's name.

Custodial Credit Risk — Deposits — The City's deposits do not have any exposure to credit risk because all deposits in financial institutions are fully collateralized by U.S. government obligations or obligations of the state of Texas and its agencies that have a value of not less than the principal amount of the deposits. The collateral is held by a third-party custodial bank as the City's agent.

Concentration of Credit Risk — The City limits investments to avoid concentration in securities from a specific issuer or business sector (where appropriate). As noted above, the City's investments are distributed into a variety of allowable investment vehicles. Management does not believe there is a significant risk of loss due to the credit rating and nature of the investments.

Following is a reconciliation of the City's deposit and investment balances at September 30, 2022 to the government-wide statement of net position:

	Balance at September 30, 2022
Investments	$ 43,762,093
Deposits and cash on hand	55,763,256
	$ 99,525,349

	Government-wide Statement of Net Position
Cash and cash equivalents	$ 66,673,223
Investments	10,065,524
Restricted Investments with Trustee	22,786,602
	$ 99,525,349

Note 3. Receivables and Governmental Funds Deferred Inflows

Receivables, including amounts due from other governments, as of September 30, 2022, for the City's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds				Proprietary Funds		
	General	Debt Service	Economic Development	Nonmajor Governmental	Water and Sewer	Stormwater Utility	Total
Receivables							
Taxes							
Delinquent property taxes	$ 254,000	$ 118,496	$ -	$ -	$ -	$ -	$ 372,496
Sales taxes	2,026,534	-	675,511	-	-	-	2,702,045
Franchise	757,877	-	-	-	-	-	757,877
Other	39,819	-	-	-	-	-	39,819
Leases	701,470	-	-	-	-	-	701,470
Accounts	416,985	-	267,116	170,751	3,908,922	248,982	5,012,756
Other	558,495	3,249	-	239,224	-	-	800,968
Gross receivables	4,755,180	121,745	942,627	409,975	3,908,922	248,982	10,387,431
Less allowance for uncollectibles	(43,755)	(20,973)	-	-	(214,218)	-	(278,946)
Net total receivables	$ 4,711,425	$ 100,772	$ 942,627	$ 409,975	$ 3,694,704	$ 248,982	$ 10,108,485

Governmental funds report deferred inflows in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period.

At the end of the year, the various components of deferred inflows reported in the governmental funds were as follows:

Deferred Inflows	Unavailable Revenue	Other Deferred Inflows
Delinquent property taxes receivable (General Fund)	$ 215,633	$ -
Delinquent property taxes receivable (Debt Service Fund)	100,106	-
Delinquent ambulance receivable (General Fund)	206,650	-
Assessments (Nonmajor Governmental)	239,224	-
Lease receivable related	-	701,470
Total deferred inflows for governmental funds	$ 761,613	$ 701,470

The City is a lessor for non-cancelable leases of the right-to-use of land, buildings, and infrastructure for which the City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. The interest rates for the leases range from 0.81% and 5.03% annually, and the terms are typically 4-7 years. The lease receivables that exist at September 30, 2022 relate to leases whose terms expire between 2024 and 2027.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The City has $701,470 remaining in lease receivables and $701,470 remaining in deferred inflow as of September 30, 2022. The City recorded lease revenue including interest of $253,426 in the fiscal year.

As of September 30, 2022, the expected lease receipts through the expiration of all leases for which the City is a lessor is as follows:

September 30,	Principal	Interest	Total
2023	$ 240,055	$ 10,549	$ 250,604
2024	224,413	6,353	230,766
2025	126,506	3,221	129,727
2026	84,456	1,474	85,930
2027	26,040	194	26,234
	$ 701,470	$ 21,791	$ 723,261

Note 4. Property Tax

Property taxes attach as an enforceable lien on property as of January 1. The City's property tax is levied each October 1, on the assessed value listed as of the prior January 1, for all real property and personal business property located in the City. The assessed value upon which the fiscal year 2022 levy was based was $5,088,199,440. The appraisal function is performed by the Tarrant County Appraisal District.

General property taxes are limited by the Texas Constitution to $2.50 per $100 of assessed valuation and by Home Rule Charter to $1.50 per $100 of assessed valuation for general governmental services and payment of principal and interest on long-term debt. The combined tax rate to finance general governmental service and debt service for the year ended September 30, 2022, was $0.552000 per $100 of assessed valuation.

Taxes are due by January 31 following the levy date. Current tax collection for the year ended September 30, 2022, was 99.7% of the tax levy.

Uncollected property taxes levied for the current fiscal year are recognized as receivables and are deemed collectible in full.

Note 5. Interfund Transfers

Interfund transfers are payments between funds that are designed to cover various operating and overhead expenses and to allocate charges for services performed by one fund on behalf of another fund.

Individual fund transfers for the year ended September 30, 2022, were:

	Transfer In				
	General	Debt Service	Nonmajor Governmental	Water and Sewer	Total
Transfers out					
General Fund	$ -	$ -	$ 15,000	$ -	$ 15,000
Economic Development 4B	290,960	-	-	-	290,960
Capital Projects	-	10,417	-	-	10,417
Nonmajor Governmental	165,133	-	-	-	165,133
Water and Sewer	2,662,283	-	-	-	2,662,283
Stormwater Utility	300,420	-	-	74,437	374,857
Total transfers out	$ 3,418,796	$ 10,417	$ 15,000	$ 74,437	$ 3,518,650

Interfund transfers are used for multiple purposes. For the major funds that contain personnel, they reimburse the General Fund for administrative services and support functions. The transfer to the Debt Service fund was to retire debt from completed capital park projects. For the non-major funds/maintenance accounts, they provide funding for future capital needs and equipment replacements on a cash basis as needed.

Note 6. Interfund Assets/Liabilities

Interfund balances reflect payments made by one fund on behalf of another fund for which cash settlement has not been made as of the end of the accounting period. Amounts due to and from other funds will be settled within the next accounting period. As of September 30, 2022, interfund balances outstanding was between the General Fund and a Nonmajor Governmental Fund as follows:

	Due From	
	Nonmajor Governmental	Total
Due To		
General Fund	$ 27,293	$ 27,293
Total	$ 27,293	$ 27,293

The due to the General Fund from the Various Grants Fund is the result of the General Fund funding purchases prior to the receipt of grant funding.

Note 7. Capital Assets

The following tables summarize changes in capital assets during the year ended September 30, 2022:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities				
Capital assets, not being depreciated/amortized				
Land	$ 10,626,606	$ 9,435,210	$ -	$ 20,061,816
Construction in progress	35,457,879	25,550,966	-	61,008,845
Total assets not being depreciated/amortized	46,084,485	34,986,176	-	81,070,661
Capital assets, being depreciated/amortized				
Buildings and improvements	25,381,352	-	-	25,381,352
Equipment	32,458,156	893,973	(216,504)	33,135,625
Right to use leased equipment	4,442,700	916,867	-	5,359,567
Improvements other than buildings	124,953,668	1,446,647	-	126,400,315
Total capital assets being depreciated/amortized	187,235,876	3,257,487	(216,504)	190,276,859
Less accumulated depreciation/amortization				
Buildings and improvements	(15,917,617)	(673,862)	-	(16,591,479)
Equipment	(29,705,450)	(1,128,886)	197,241	(30,637,095)
Right to use leased equipment	(1,637,789)	(993,105)	-	(2,630,894)
Improvements other than buildings	(116,145,149)	(1,005,539)	-	(117,150,688)
Total accumulated depreciation/amortization	(163,406,005)	(3,801,392)	197,241	(167,010,156)
Total capital assets being depreciated/amortized, net	23,829,871	(543,905)	(19,263)	23,266,703
Governmental activities capital assets, net	$ 69,914,356	$ 34,442,271	$ (19,263)	$ 104,337,364
Business-type Activities				
Capital assets, not being depreciated/amortized				
Land	$ 100,255	$ -	$ -	$ 100,255
Construction in progress	6,074,811	1,835,843	-	7,910,654
Total assets not being depreciated/amortized	6,175,066	1,835,843	-	8,010,909
Capital assets, being depreciated/amortized				
Buildings and improvements	903,239	-	-	903,239
Equipment	4,073,268	111,401	(15,658)	4,169,011
Right to use leased equipment	21,315	96,893	-	118,208
Utility distributions	102,487,967	483,905	-	102,971,872
Total capital assets being depreciated/amortized	107,485,789	692,199	(15,658)	108,162,330
Less accumulated depreciation/amortization				
Buildings and improvements	(573,021)	(11,861)	-	(584,882)
Equipment	(3,770,409)	(100,575)	15,658	(3,855,326)
Right to use leased equipment	(7,782)	(20,246)	-	(28,028)
Utility distributions	(44,029,079)	(2,211,642)	-	(46,240,721)
Total accumulated depreciation/amortization	(48,380,291)	(2,344,324)	15,658	(50,708,957)
Total capital assets being depreciated/amortized, net	59,105,498	(1,652,125)	-	57,453,373
Business-type activities capital assets, net	$ 65,280,564	$ 183,718	$ -	$ 65,464,282

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities		
General government	$	290,295
Community services		123,428
Public services		1,398,643
Public safety		1,009,652
Leisure services		758,470
Administrative services		220,904
Total depreciation/amortization expense – governmental activities	$	3,801,392
Business-type Activities		
Water and sewer	$	2,027,407
Stormwater collection and disposal		316,917
Total depreciation/amortization expense – business-type activities	$	2,344,324

Note 8. Long-term Liabilities

The following is a summary of the long-term liabilities of the City for the year ended September 30, 2022:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One-Year
Governmental Activities					
General Bonds/Certificates/Tax notes	$ 78,050,000	$ -	$ (5,210,000)	$ 72,840,000	$ 4,875,000
Premium on debt	2,944,219	-	(220,776)	2,723,443	220,776
Lease liabilities payable	2,875,947	916,867	(1,138,132)	2,654,682	1,144,559
Compensated absences	3,996,974	2,356,165	(2,362,438)	3,990,701	1,451,974
Net pension liability	28,283,819	-	(2,840,317)	25,443,502	-
Other post-employment benefits	1,451,926	123,875	-	1,575,801	-
Governmental activities long-term liabilities	$ 117,602,885	$ 3,396,907	$ (11,771,663)	$ 109,228,129	$ 7,692,309
Business-type Activities					
General Bonds and Certificates of Obligation	$ 61,535,000	$ -	$ (2,635,000)	$ 58,900,000	$ 2,690,000
Premiums on debt	501,423	-	(54,857)	446,566	54,856
Lease liabilities payable	14,282	96,893	(19,828)	91,347	22,543
Compensated absences	201,061	201,233	(240,970)	161,324	77,052
Net pension liability	2,459,463	-	(219,903)	2,239,560	-
Other post-employment benefits	2,910	248	-	3,158	-
Business-type activities long-term liabilities	$ 64,714,139	$ 298,374	$ (3,170,558)	$ 61,841,955	$ 2,844,451

Governmental long-term debt consists of the following individual issues at September 30, 2022:

Series	Original Issue	Interest Rate	Debt Outstanding
General Obligation Bonds			
Series 2013 General Obligation Refunding and Improvement Bonds	$ 5,375,000	2.0% – 4.0%	$ 1,585,000
Series 2014 General Obligation Bonds	3,200,000	2.0% – 4.0%	2,220,000
Series 2018 General Obligation Bonds	57,540,000	3.125% - 5.0%	49,970,000
Series 2019 General Obligation Bonds, Taxable	5,490,000	2.35% - 3.0%	4,685,000
Series 2019 General Obligation Refunding and Improvement Bonds	7,490,000	2.0% - 3.0%	6,210,000
Series 2020 General Obligation Refunding Bonds	1,275,000	1.27%	785,000
Series 2021A General Obligation Bonds	2,165,000	1.03%	1,955,000
Certificates of Obligation			
Series 2021 General Tax and Revenue Certificates of Obligation	4,150,000	1.03%	3,750,000
Contractual Obligations			
Series 2014 Public Property Finance Contractual Obligations	2,300,000	1.0% – 2.5%	505,000
Tax Notes			
Series 2019 Tax Notes	2,750,000	3.0% - 5.0%	1,175,000
Total General Obligation, Certificates of Obligation Contractual Bonds, and Tax Notes			$ 72,840,000

Business-type long-term debt consists of the following individual issues at September 30, 2022:

Series	Original Issue	Interest Rate	Debt Outstanding
General Obligation Bonds			
Series 2018 General Obligation Refunding and Improvement Bonds	$ 6,380,000	3.125% - 5.0%	$ 4,960,000
Series 2019 General Obligation Refunding and Improvement Bonds	1,325,000	2.0% - 3.0%	1,010,000
Series 2020 General Obligation Refunding Bonds	4,375,000	1.27%	3,790,000
Certificates of Obligation			
Series 2012 Combination Tax and Revenue Certificates of Obligation	630,000	0.09% – 1.4%	330,000
Series 2012A Combination Tax and Revenue Certificates of Obligation	4,270,000	1.0% – 2.75%	2,425,000
Series 2015 Combination Tax and Revenue Certificates of Obligation	30,000,000	0.22% – 3.210%	25,260,000
Series 2017 Combination Tax and Revenue Certificates of Obligation	20,000,000	0.69% - 3.0%	17,550,000
Series 2019 Combination Tax and Revenue Certificates of Obligation	3,990,000	2.0% - 4.0%	3,575,000
Total General Obligation and Certificates of Obligation			$ 58,900,000

The annual debt service requirement to amortize the bonds, certificates of obligation and capital lease obligations outstanding at September 30, 2022, are as follows:

Governmental Activities:

Year Ending September 30,	Bonded Debt Obligations	Interest	Total
2023	$ 4,875,000	$ 2,430,379	$ 7,305,379
2024	5,055,000	2,250,878	7,305,878
2025	4,105,000	2,079,887	6,184,887
2026	4,265,000	1,917,533	6,182,533
2027	4,430,000	1,747,571	6,177,571
2028-2032	23,280,000	6,214,903	29,494,903
2033-2037	21,575,000	2,702,934	24,277,934
2038-2039	5,255,000	104,063	5,359,063
	$ 72,840,000	$ 19,448,148	$ 92,288,148

Business-type Activities:

Year Ending September 30,	Debt Obligations	Interest	Total
2023	$ 2,690,000	$ 1,601,091	$ 4,291,091
2024	2,775,000	1,542,917	4,317,917
2025	2,860,000	1,480,200	4,340,200
2026	2,920,000	1,413,118	4,333,118
2027	3,020,000	1,340,276	4,360,276
2028-2032	13,115,000	5,710,071	18,825,071
2033-2037	11,385,000	4,153,839	15,538,839
2038-2041	11,190,000	2,390,846	13,580,846
2042-2047	8,945,000	703,626	9,648,626
	$ 58,900,000	$ 20,335,984	$ 79,235,984

The City has entered into multiple lease agreements as lessee. The leases allow the right-to-use of buildings and equipment over the term of the lease. The City is required to make periodic payments at its incremental borrowing rate or the interest rate stated or implied within the leases. Effective October 1, 2021, the City implemented GASB Statement No. 87, *Leases*. At implementation of this statement, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term.

The City's lessee arrangements incur interest at rates ranging between 0.26% and 1.55% annually for its governmental activities, and between 0.93% and 2.42% for its business-type activities. All such arrangements range between 5 and 6 years in length.

The annual requirements to amortize leases payable outstanding as of September 30, 2022 are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	$ 1,144,559	$ 112,381	$ 22,543	$ 927
2024	827,290	61,464	23,014	711
2025	491,616	21,708	20,330	455
2026	168,923	1,518	18,976	228
2027	22,294	34	6,484	37
	$ 2,654,682	$ 197,105	$ 91,347	$ 2,358

Note 9. Retirement Plan

A. Plan Description

The City participates as one of 901 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5 years
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated service credit	50%
Annuity increase (to retirees)	0% of CPI

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	110
Inactive employees entitled to but not yet receiving benefits	248
Active employees	315
Total	673

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City are required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.61% and 16.59% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were $4,055,163 and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:
The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment Rate of Return expense, including inflation	6.75%, net of pension plan investment

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

Rate of Return:
The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	35.0%	7.55%
Core fixed income	6.0%	2.00%
Non-core fixed income	20.0%	5.68%
Other public a private markets	12.0%	7.22%
Real estate	12.0%	6.85%
Hedge funds	5.0%	5.35%
Private equity	10.0%	10.00%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2020	$ 67,660,151	$ 36,916,869	$ 30,743,282
Changes for the year			
Service cost	3,447,579	-	3,447,579
Interest on total pension liability	4,613,812	-	4,613,812
Effect of difference in expected and actual experience	(769,990)	-	(769,990)
Change in benefit terms or inputs	-	-	-
Benefit payments	(2,062,330)	(2,062,330)	-
Administrative expenses	-	(22,268)	22,268
Employer contributions	-	3,832,642	(3,832,642)
Net investment income	-	4,831,954	(4,831,954)
Employee contributions	-	1,709,140	(1,709,140)
Other	-	153	(153)
Net changes	5,229,071	8,289,291	(3,060,220)
Balances at December 31, 2021	$ 72,889,222	$ 45,206,160	$ 27,683,062

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Single Rate Assumption (6.75%)	1% Increase (7.75%)
City's net pension liability	$ 38,871,788	$ 27,683,062	$ 18,504,450

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the City recognized pension expense of $3,001,824.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 575,364
Difference in assumptions changes	66,972	-
Difference between projected and actual earnings on pension plan investments	-	2,478,441
Contributions subsequent to the measurement date	3,022,320	-
Total	$ 3,089,292	$ 3,053,805

$3,022,320 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2022 (i.e., recognized in fiscal year ending September 30, 2023).

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2022	$ (625,651)
2023	(1,084,296)
2024	(638,518)
2025	(533,432)
2026	(104,936)
Thereafter	-
Total	$ (2,986,833)

Note 10. Post-employment Health Care Plan

A. Plan Description and Funding Policy

The City provides post-employment medical care (OPEB) for employees through a single-employer defined benefit medical plan. The plan provides medical benefits for eligible retirees, their spouses and dependents through the City's group health insurance plans, which cover both active and retired members. The benefit levels and contribution rates are approved annually by the City management and the City Council as part of the budget process. Because the plan is administered through an arrangement equivalent to a trust, it is accounted for in accordance with GASB Statement No. 75, and therefore its activities and balances as of December 31, 2021 and for the year then ended are reported in the accompanying fiduciary financial statements.

Starting January 1, 2010, the City began requiring participants who are active employees with less than 20 years of service or 60 years or more of age with less than 5 years of service to contribute an age-based full-cost premium if they choose to remain on the City's health care plan upon retirement. In return, the City will make scheduled annual contributions into a retiree health savings plan in the name of each eligible employee who has 10 years of service or more. Employees are 50% vested at 20 years of service and 100% vested at 30 years of service.

Retiring employees will pay either age-based or blended premiums depending on their status as "grandfathered" or "non-grandfathered." Blended premiums blend the cost of providing health coverage to both active employees and retirees, and will be based on the total employer/employee premium for the health plan as a whole, and will be determined annually during the budget process.

B. Grandfathered Employees and Non-Grandfathered Employees

As of January 1, 2010, employees that have 20 years of continuous service with the City or employees having 5 years of continuous service and have reached the age of 60 will be eligible to purchase City health benefits at blended rates upon the date of their retirement if they are less than age 65. Employees who meet the requirements to stay on the plan will continue to pay both employee and employer required contributions for the retiree health plan chosen for themselves and eligible dependents. Employer and employee required contributions are determined annually by plan as part of the City's annual budget. If the spouse or eligible dependents are on the plan at the time of the employee's retirement, they can remain on the plan, until which time they are no longer eligible.

Employees who do not meet the eligibility requirements to stay on the plan will pay age-based premiums for the retiree health plan chosen for themselves and eligible dependents. These employees will participate in the City's retiree health savings plan.

C. Benefits Provided

The City provides post-employment medical and dental care benefits to its retirees. Retirees who elect COBRA cannot later elect retiree coverage. To be eligible for coverage an employee must qualify under all three of the following:

- The retiree must have been covered for medical benefits under the City health plan as an employee immediately prior to termination of employment.
- Apply for pension benefits from TMRS in accordance with their requirements and deadlines, but in no event later than 90 days from termination of employment.
- Enroll for retiree health coverage within 30 days of the date of termination. Annual Funding Policy

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees currently receiving benefits	35
Inactive employees entitled to but not yet receiving benefits	-
Active employees	9
Total	44

D. Policy Information

Retiree Health Plan Benefit Eligibility
To be eligible for retiree health benefits, employees must meet the following criteria:

- Any employee who is covered under the City's health plan at the effective date of (the employee's) retirement, who is less than age 65, and who meets the "retiree" definition (as described below) may elect to continue health insurance coverage under the plan.
- Employees who are eligible and elect to stay on the plan will be required to begin paying monthly premiums immediately upon retirement.
- Employees eligible for retiree health insurance may also continue coverage for any dependents following the employee's retirement, provided the dependents were covered under the employee's health insurance as of the effective date of the employee's retirement and the appropriate enrollment forms are completed within 30 days of retirement. Anyone electing this coverage must meet all of the eligibility rules of the plan.

NOTE: When a covered retiree's spouse is employed at the time the City of Bedford employee retires, an exception to this policy may be made. The spouse may elect coverage under the City's health plan if the spouse's employment ends or the spouse's employer discontinues coverage.

- Dependents who are covered under the retiree's health insurance at the time of the retiree's death may continue coverage as follows: (a) the spouse may continue coverage following the death of the retiree until such time as the spouse remarries, dies or reaches age 65 (b) any other eligible dependent(s), as defined by the City's self-funded plan, may continue to be covered under retiree health insurance as long as all eligibility requirements of the City's plan are met.

Retiree Health Plan Benefit Coverage

Retirees are able to maintain retiree coverage through the City until they reach age 65 (see section below). Retirees cannot drop the City's plan and re-elect retiree benefits at a later date unless they become re-employed by the City. If this is the case, they must re-enroll into the City's retiree insurance program within 30 days of the termination from the City's re-employment.

- Retirees are able to choose from and elect the same plans offered to active employees during open enrollment each year until they reach age 65.
- Retirees who decide to elect the City's retiree health benefits will pay either age based on blended premiums depending on their status as "grandfathered" or "non-grandfathered."
- Blended premiums blend the cost of providing health coverage to both active employees and retirees, will be based on the total employer/employee premium for the health plan as a whole, and will be determined annually during the budget process.

Retirees Age 65 or Older

Effective January 1, 2010, retirees who are Medicare eligible or age 65 or older will have access to a more cost effective and comparable Medicare Supplement or Medicare Advantage Plan and will no longer have access to the City's health plan. Retirees will continue to have access to the City's dental plan.

- Retirees who choose to obtain coverage elsewhere may later elect one of the City's Medicare Supplement or Medicare Advantage plans when they become eligible for Medicare.
- Retirees' dependents who are under 65 years of age will be able to maintain coverage through the City's health plan. Once a dependent reaches age 65, the dependent will no longer be able to access the City's health plan, but will be able to select either the Medicare Supplement or Medicare Advantage Plan which is less expensive than the current retiree premiums and is comparable to or offers a richer benefit than the City's health plan.
- If the employee is 65 years of age or older, but is not Medicare eligible, the City will evaluate the cost of Medicare Part A premiums each year and determine whether the City will reimburse the employee for the purchase of Medicare Part A (on behalf of the retiree or whether to allow the retiree to pay the premium to stay on the City's health plan). Retirees in this situation will be notified of this determination at the end of each year for the following plan year.

E. Applicability

This policy applies to all regular full-time employees.

F. Definitions

Retiree — is defined as an employee who has effected retirement with the City and is eligible to retire according to the City's pension plan guidelines.

G. Policy Authority

The City Council authorizes this policy. The City's management team and Human Resources are responsible for interpreting and enforcing this policy.

H. Implementation Procedures

Employees eligible for retiree health insurance will be given written notification from Human Resources explaining their eligibility to elect retiree health insurance, the applicable premium rates for the type of coverage(s) they are eligible to continue and the procedures the employee must follow in order to elect retiree health insurance. They will also be given an election form on which to make their health insurance elections.

Employees eligible for retiree health insurance must complete the retiree health insurance election foul' and remit the appropriate premium payment as outlined in the retiree medical information packet within 30 days following the effective date of the employee's retirement; otherwise, the retiree will automatically forfeit his/her right to continue health insurance under this policy, except as provided by federal law.

Retirees who are not age 65 and who are eligible for and elect retiree coverage through the City will receive notification from the City's Human Resources Department of the discontinuation of their retiree coverage along with enrollment information for the Medicare Supplement and Medicare Advantage plans upon turning age 65.

Termination of Retiree Health Plan Coverage

Retiree health insurance will automatically terminate for the retiree and/or covered dependents upon the earliest of the following occurrences:

- The City ceases to provide group health insurance.
- Retiree/retiree's dependent(s) fail to remit the monthly premium payment to the City's Human Resources Department by the last day of each month.
- The retiree returns to active employment status with the City and becomes covered under a City sponsored health plan.
- Dependent(s) of the retiree cease to meet the eligibility requirements of the City's medical plan.

I. Net OPEB Liability

Valuation of Assets
For purposes of calculating the Total OPEB Liability, the plan is considered to be unfunded and therefore no assets are accumulated for OPEB.

Actuarial Assumptions
The OPEB Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	1.84%

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2021, actuarial valuation, the Individual Entry-Age Normal Actuarial Cost method was used. The actuarial assumptions included a 5.5% investment rate of return (net of administrative expenses) and an annual health care cost trend rate of 7.0% initially, reduced by decrements to an ultimate rate of 4.15% after a number of years. Both rates include a 2.50% inflation assumption. The actuarial value of the plan's assets was set equal to the reported market value of assets. The assets are allocated among the divisions based on liabilities valued at 4.5%. The City's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

Discount Rate
Because the Retiree Healthcare Plan is considered an unfunded trust under GASB Statement No. 75, the relevant discount rate for calculating the Total OPEB Liability is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of the measurement date.

Changes in the OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2020	$ 1,499,871	$ 45,035	$ 1,454,836
Changes for the year:			
Service cost	12,451	-	12,451
Interest	29,598	-	29,598
Effect of plan changes	141,114	-	141,114
Effect of economic/demographic	-	-	-
gains or losses	-	-	-
Effect of difference in expected	-	-	-
and actual experience	(29,740)	-	(29,740)
Changes of assumptions	26,964	-	26,964
Employer contributions	-	52,380	(52,380)
Net investment income	-	3,884	(3,884)
Benefit payments	(52,380)	(52,380)	-
Administrative expense	-	-	-
Net changes	128,007	3,884	124,123
Balance at December 31, 2021	$ 1,627,878	$ 48,919	$ 1,578,959

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of the City, calculated using the discount rate of 1.84%, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (0.84%) or one-percentage-higher (2.84%) than the current rate:

	1% Decrease (0.84%)	Current Discount Rate (1.84%)	1% Increase (2.84%)
Total OPEB liability	$ 1,779,782	$ 1,578,959	$ 1,413,315

Sensitivity of the OPEB Liability to Healthcare Cost Trends

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB liability	$ 1,409,530	$ 1,578,959	$ 1,782,418

J. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended September 30, 2022, the City recognized OPEB benefit of ($219,475).

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience, liability	$ -	$ -
Net difference between projected and actual earnings on investments	-	2,019
Contributions made subsequent to measurement date	125,317	-
Total	$ 125,317	$ 2,019

$125,317 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the measurement year ending December 31, 2022 (i.e. recognized in fiscal year ending September 30, 2023). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Years Ending December 30,	Net Deferred Outfows (Inflows) of Resources
2022	$ (255)
2023	(1,063)
2024	(508)
2025	(193)
2026	-
Thereafter	-
Total	$ (2,019)

Note 11. Tax Abatements and Economic Incentive Agreements

The City enters into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of Bedford. This program rebates property and sales and use taxes and is authorized under Chapter 380 of the Texas Local Government Code. The various agreements are detailed below that rebate a percentage of property and/or sales and use taxes.

Agreements for rebate of property taxes generally call for rebates of taxes on incremental values for usually up to 10 years. The agreements for sales and use taxes provides for a rebate of 50% to 100% of the City 2% taxes on incremental values for usually up to 10 years, with the maximum being 12 years. For fiscal year 2022, the City rebated property taxes of $74,144, or 0.2% of the total levy of $25.4 million. Sales and use taxes rebated totaled $216,186 or 1.9% of the General Fund collections of $11.5 million.

A. Retail Development Agreements

In order to promote economic development and diversity, increase employment, reduce unemployment and underemployment, expand commerce, and stimulate business and commercial activity in the State of Texas, Tarrant County, and the City of Bedford, Texas, the City, agreed to pay sales tax grants to certain developers. These grants require the construction or improvement of a minimum square feet of retail space and obtaining certificates of occupancy for certain major retailers within a specified time period, all of which have been met during the 2022 fiscal year.

An agreement was executed in January 2013 with Twisted Root Burger Company. The agreement includes rebates of 100% (years 1-3), 80% (years 4-7) and 60% (years 8-10) of the City's sales tax of 2% and 100% of the incremental property taxes on improvements for a period of ten years. The City recorded a liability for the $7,144 incurred in both the previous and current year of the agreement.

An agreement was executed in April 2014 with Mexican Inn. The agreement includes a rebate of 50% of the City's sales tax of 2% and 100% of the City's incremental property tax for a period of six years. The City recorded a liability of $16,369 incurred in a previous year of the agreement.

An agreement was executed in December 2014 with Texas Harley-Davidson. The agreement includes a rebate of 80% (years 1-3), 60% (years 4-7) and 40% (years 8-10) of the City's sales tax of 1% and 80% (years 1-3), 60% (years 4-7), and 40% (years 8-10) of the City's incremental property tax for a period of ten years. The City recorded a liability of $48,298 incurred in the current year (7) of the agreement. The City paid $57,184 during the program year (6) of the agreement.

An agreement was executed in January 2016 with Movie Tavern. The agreement includes a rebate of 75% of the City's sales tax of 2% over base year revenue for a period of ten years. The City recorded a liability of $70,783 incurred in the current year of the agreement.

An agreement was executed in December 2016 with Chipotle. The agreement includes a rebate of 25% of the City's sales tax of 2% for a period of twelve years. The City recorded a liability of $9,535 incurred in the current year of the agreement. The City paid $10,425 during the current year of the grant.

An agreement was executed in May 2017 with American Motorcycle. The agreement includes a rebate of 100% of the City's incremental property tax for a period of ten years. The City recorded a liability of $20,156 incurred in the last two years of the agreement.

An agreement was executed in November 2020 with Northern Tool. The agreement includes a rebate of an annual program grant of $20,000 for a period of five years based on exceeding sales target. The City recorded a liability of $20,000 incurred in both the current and previous year of the agreement, totaling $40,000.

Note 12. Commitments and Contingencies

A. Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City participates in the Texas Municipal League Intergovernmental Risk Pool (Risk Pool) to provide insurance for workers' compensation benefits, liability and property coverage.

At September 30, 2022, the Risk Pool was self-sustaining based on premiums charged, so that total contributions plus compounded earnings on these contributions will be sufficient to satisfy claims and liabilities and other expenses. Premiums are assessed based on the rates set by the Texas State Board of Insurance and may be adjusted, on an annual basis, by the Risk Pool's Board of Trustees for each participating political subdivision's experience. The City is not liable for payments beyond the annual contributions.

The Risk Pool has purchased stop-loss coverage to protect the assets of the pool from catastrophic losses. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years, and there have been no significant reductions in insurance coverage during the current year.

B. Trinity River Authority of Texas

In 1972, the City entered into a contract with the Trinity River Authority (TRA) for the purchase of water. The contract shall remain in effect until all bonds, including refunding bonds, have been paid.

Under the terms of the contract, the City is obligated to pay its proportional share of operating and maintenance expenses and debt service charges by the TRA based on the ratio of estimated water usage for the ensuing year to the total estimated water usage. Total purchases during fiscal year 2022 were $11,095,521.

In 1973, the City entered into a 50-year contract with the TRA for the transportation, treatment, and disposal of sanitary sewage actually discharged and to share in the cost of operation and maintenance of the system. Total payments of $4,797,805 were made in fiscal year 2022. Additionally, $395,759 was spent with the City of Hurst for the transportation, treatment and disposal of sanitary sewage as well.

C. Litigation

Various claims and lawsuits are pending against the City. In the opinion of the City's legal counsel and management, the potential loss on all claims after insurance will not be significant to the City's financial statements.

D. State and Federal Programs

The City has received federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. In the opinion of management of the City, disallowed costs, if any, should not be material.

Required Supplementary Information

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City of Bedford, Texas

Schedule of Changes in the City's Net Pension Liability and Related Ratios
Texas Municipal Retirement System
Last Eight Measurement Years

	Year Ended December 31							
	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY								
Service cost	3,447,579	3,309,978	2,948,845	2,996,009	2,703,744	$ 2,676,451	$ 2,515,193	$ 1,588,982
Interest (on the Total Pension Liability)	4,613,812	4,174,117	2,705,647	2,410,946	2,139,669	1,866,228	1,643,314	1,439,551
Changes of benefit terms	-	17,246,961	-	-	-	-	-	1,308,563
Changes in assumptions	-	-	(65,423)	-	-	-	711,649	-
Difference between expected and actual experience	(769,990)	543,210	(195,552)	(131,459)	(246,817)	77,844	(368,820)	(233,110)
Benefit payments, including refunds of employee contributions	(2,062,330)	(1,101,861)	(1,030,024)	(741,916)	(705,692)	(460,701)	(359,420)	(335,835)
Net change in total pension liability	5,229,071	24,172,405	4,363,493	4,533,580	3,890,904	4,159,822	4,141,916	3,768,151
Total pension liability - beginning	67,660,151	43,487,746	39,124,253	34,590,673	30,699,769	26,539,947	22,398,031	18,629,880
Total pension liability - ending (a)	72,889,222	67,660,151	43,487,746	39,124,253	34,590,673	30,699,769	26,539,947	22,398,031
PLAN FIDICIARY NET POSITION								
Contributions - employer	3,832,642	2,131,048	2,111,935	2,137,293	1,919,893	1,705,987	1,611,071	1,032,810
Contributions - employee	1,709,140	1,653,808	1,639,548	1,660,496	1,503,273	1,489,019	1,387,526	972,517
Net investment income	4,831,954	2,426,080	3,915,583	(687,085)	2,458,477	949,763	16,795	525,939
Benefit payments, including refunds of employee contributions	(2,062,330)	(1,101,861)	(1,030,024)	(741,916)	(705,692)	(460,701)	(359,420)	(335,835)
Administrative expense	(22,268)	(15,631)	(22,022)	(13,231)	(12,708)	(10,700)	(10,223)	(5,486)
Other	153	(609)	(662)	(691)	(643)	(577)	(505)	(451)
Net change in plan fiduciary net position	8,289,291	5,092,835	6,614,358	2,354,866	5,162,600	3,672,791	2,645,244	2,189,494
Plan fiduciary net position - beginning	36,916,869	31,824,034	25,209,676	22,854,810	17,692,210	14,019,419	11,374,175	9,184,681
Plan fiduciary net position - ending (b)	45,206,160	36,916,869	31,824,034	25,209,676	22,854,810	17,692,210	14,019,419	11,374,175
NET PENSION LIABILITY - ending (a) - (b)	$27,683,062	$30,743,282	$11,663,712	$13,914,577	$11,735,863	$13,007,559	$12,520,528	$11,023,856
Plan fiduciary net position as a percentage of total pension liability	62.02%	54.56%	73.18%	64.43%	66.07%	57.63%	52.82%	50.78%
Covered payroll	$24,416,282	$23,625,825	$23,422,120	$23,721,371	$21,475,333	$21,258,547	$21,351,384	$19,450,346
City's net pension liability as a percentage of covered payroll	113.38%	130.13%	49.80%	58.66%	54.65%	61.19%	58.64%	56.68%

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 68, only periods for which such information is available are presented.

See Notes to the Schedule of City Contributions

City of Bedford, Texas

Schedule of City Contributions
Texas Municipal Retirement System
Last Eight Fiscal Years

	Year Ended September 30							
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Actuarially determined contribution	$ 4,055,163	$ 3,411,680	$ 2,121,266	$ 2,118,005	$ 2,035,140	$ 1,924,529	$ 1,680,982	$ 1,399,303
Contributions in relation to the actuarially determined contribution	4,055,163	3,411,680	2,121,266	2,118,005	2,035,140	1,924,529	1,680,982	1,399,303
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 25,295,123	$ 24,365,915	$ 21,488,577	$ 23,488,350	$ 22,630,160	$ 22,147,313	$ 22,649,265	$ 23,602,275
Contributions as a percentage of covered payroll	16.03%	14.00%	9.87%	9.02%	8.99%	8.69%	7.42%	5.93%

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 68, only periods for which such information is available are presented.

See Notes to the Schedule of City Contributions

City of Bedford, Texas

Notes to the Schedule of City Contributions
Last Eight Fiscal Years

Valuation Date: December 31, 2021
Actuarial determined contribution rates are calculated as of December 31st, each year and become effective in January, 13 months and a day later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational
Other Information:	1) Adopted supplemental death benefits for actives. 2) Adopted 50% repeating USC with transfer. 3) Adopted restricted prior service credit.

See Notes to the Schedule of City Contributions – Retiree Health Care Plan

City of Bedford, Texas

Schedule of Changes in the City's Other Post-Employment Benefits Liabilities and Related Ratios – Retiree Healthcare Plan
Last Five Measurement Years

	Year Ended December 31				
	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	$ 12,451	$ 16,565	$ 20,196	$ 33,282	$ 28,394
Interest	29,598	37,074	93,755	86,615	91,716
Changes of benefit terms	141,114	-	-	-	-
Difference between expected and actual experience	(29,740)	5,723	(1,317,943)	5,923	-
Change in assumptions	26,964	133,140	95,681	(131,216)	164,339
Employer contributions	(52,380)	(64,956)	(72,714)	(82,737)	(72,029)
Net changes	128,007	127,546	(1,181,025)	(88,133)	212,420
Total OPEB liability - beginning	1,499,871	1,372,325	2,553,350	2,641,483	2,429,063
Total OPEB liability - ending	$ 1,627,878	$ 1,499,871	$ 1,372,325	$ 2,553,350	$ 2,641,483
Plan fiduciary net position					
Employer contributions	$ 52,380	$ 64,956	$ 72,714	$ 82,737	$ 72,029
OPEB plan net investment income	3,884	4,238	5,091	(1,599)	3,092
Benefit payments	(52,380)	(64,956)	(72,714)	(82,737)	(72,029)
OPEB plan administrative expense		(41)	-	-	-
Net change in plan fiduciary net position	3,884	4,197	5,091	(1,599)	3,092
Plan fiduciary net position- beginning	45,035	40,838	35,747	37,346	34,254
Plan fiduciary net position- ending	$ 48,919	$ 45,035	$ 40,838	$ 35,747	$ 37,346
Net OPEB liability - ending	$ 1,578,959	$ 1,454,836	$ 1,331,487	$ 2,517,603	$ 2,604,137
Plan fiduciary net position as a percentage of total OPEB liability	3.01%	3.00%	2.98%	1.40%	1.41%
Covered employee payroll	$ 947,955	$ 1,737,307	$ 1,638,064	$ 2,024,772	$ 1,995,448
Net OPEB liability as a percentage of covered employee payroll	166.56%	83.74%	81.28%	124.34%	130.50%

The information in this schedule has been determined as of the measurement date (December 31) of the City's OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 75, only periods for which such information is available are presented.

See Notes to the Schedule of City Contributions – Retiree Health Care Plan

City of Bedford, Texas

Schedule of Contributions – Retiree Healthcare Plan
Last Five Fiscal Years

	Year Ended September 30				
	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 103,717	$ 87,112	$ 71,491	$ 70,556	$ -
Contributions in relation to the actuarially determined contribution	103,717	87,112	71,491	70,556	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,047,022	$ 1,556,177	$ 1,408,191	$ 1,704,133	$ 2,105,853
Contributions as a percentage of covered payroll	9.91%	5.60%	5.08%	4.14%	0.00%

The information in this schedule has been determined as of the measurement date (December 31) of the City's OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 75, only periods for which such information is available are presented.

See Notes to the Schedule of City Contributions – Retiree Health Care Plan

City of Bedford, Texas

Notes to the Schedule of Contributions – Retiree Healthcare Plan
Last Five Fiscal Years

Valuation Date: December 31, 2021

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Individual Entry Age Normal
Single Discount Rate	2.00% as of December 31, 2021
Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality
Particpation Rates	Before age 65, participation rates vary from 30% to 70% based on years of City service. For the plan participants that are expected to not qualify for Medicare, 40% of current pre-65 retirees and 25% of current active employees were assumed to participate in the City's plan after
Healthcare cost trend rates	Initial rates of 7.0% declining to ultimate rates of 4.15% after 15 years; Ultimate trend rate includes a 1.25% adjustment for the excise tax.
Notes:	The discount rate changes from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020.

City of Bedford, Texas

Budgetary Comparison Schedule General Fund
Year ended September 30, 2022

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
REVENUES				
Taxes, penalty and interest	$ 31,841,790	$ 31,841,790	$ 32,474,068	$ 632,278
Licenses, permits, and fees	866,750	866,750	1,199,366	332,616
Charges for services	2,273,850	2,273,850	2,534,066	260,216
Fines and forfeitures	1,088,500	1,088,500	1,079,360	(9,140)
Support from governmental entities	353,520	353,520	1,086,154	732,634
Interest	57,850	57,850	103,539	45,689
Miscellaneous	6,219,236	6,219,236	4,057,217	(2,162,019)
Total revenues	42,701,496	42,701,496	42,533,770	(167,726)
EXPENDITURES				
Current				
General government	4,268,693	4,268,693	4,273,746	(5,053)
Community services	2,667,725	2,667,725	1,744,658	923,067
Public services	2,592,650	2,592,650	2,494,835	97,815
Administrative services	3,436,574	3,436,574	3,448,098	(11,524)
Public safety	26,594,778	26,867,028	27,348,814	(481,786)
Leisure services	4,633,632	4,669,132	4,174,361	494,771
Capital outlay	2,749,052	11,439,272	12,384,083	(944,811)
Debt service				
Interest and fiscal agent fees	-	-	113,858	(113,858)
Total expenditures	46,943,104	55,941,074	55,982,453	(41,379)
Excess (deficiency) of revenues over (under) expenditures	(4,241,608)	(13,239,578)	(13,448,683)	(126,347)
OTHER FINANCING SOURCES (USES)				
Transfers in	4,775,522	4,775,522	3,418,796	(1,356,726)
Transfers out	(1,078,650)	(1,078,650)	(15,000)	1,063,650
Lease financing proceeds	-	-	903,411	903,411
Insurance proceeds	15,000	15,000	333,830	318,830
Total other financing sources (uses)	3,711,872	3,711,872	4,641,037	929,165
Net change in fund balance	(529,736)	(9,527,706)	(8,807,646)	802,818
Fund balances, beginning of year	20,964,501	20,964,501	20,964,501	-
FUND BALANCES, end of year	$ 20,434,765	$ 11,436,795	$ 12,156,855	$ 802,818

City of Bedford, Texas

Budgetary Comparison Schedule
Economic Development 4B Fund
Year ended September 30, 2022

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
REVENUES				
Taxes, penalty and interest	$ 3,300,000	$ 3,300,000	$ 3,830,138	$ 530,138
Interest	10,000	10,000	26,395	16,395
Miscellaneous	-	-	139,000	139,000
Total revenues	3,310,000	3,310,000	3,995,533	685,533
EXPENDITURES				
Current				
Public services	1,926,620	3,146,620	1,943,791	1,202,829
Capital outlay	20,000	370,000	131,487	238,513
Debt Service	662,508	662,508	662,508	-
Total expenditures	2,609,128	4,179,128	2,737,786	1,441,342
Excess (deficiency) of revenues over expenditures	700,872	(869,128)	1,257,747	2,126,875
OTHER FINANCING SOURCES (USES)				
Transfers out	(290,960)	(290,960)	(290,960)	-
Total other financing sources (uses)	(290,960)	(290,960)	(290,960)	-
Net changes in fund balance	409,912	(1,160,088)	966,787	2,126,875
FUND BALANCE, beginning of year	3,937,544	3,937,544	3,937,544	-
FUND BALANCE, end of year	$ 4,347,456	$ 2,777,456	$ 4,904,331	$ 2,126,875

Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted for the General, Debt Service, Court Security, Court Technology, Tourism Development, Park Donation, Bedford Beautification, Economic Development, SWAT Netcast, Public Safety Training, Municipal Jury, and Truancy Prevention & Diversion funds using the modified accrual basis of accounting.

The City Council follows these procedures in establishing budgetary data reflected in the financial statements:

- Prior to August 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to September 30, the budget is legally enacted through passage of an ordinance.
- The City Manager is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council after public hearings.
- All unexpended appropriations lapse at year-end.

Actual results in excess of budgeted amounts from the General fund, and descriptions of circumstances leading to these results are as follows:

- General government ($5,053)
    - Long tenure employees separated, utilizing contractors in lieu of personnel, and unbudgeted November election expenditures.
- Administrative services ($11,524)
    - Actual legal costs over budget and change in Council direction regarding Bedford Connection publication and insurance.
- Public safety ($481,786)
    - Overtime personnel expenditures in the fire operations division.
- Capital outlay ($944,811)
    - Land purchase from special projects fund.
- Interest and fiscal agent fees ($113,858)
    - Not a true budget overage—amounts relate to expenses recorded for the implementation of GASB Statement No. 87, *Leases*.

Combining Fund Statements and Schedules

Special Revenue Funds

Special Revenue Funds – are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The City's nonmajor special revenue funds are as follows:

Miscellaneous Donations Fund – This fund is used to account for miscellaneous designated contributions from citizens and other governments.

Court Security Fund – This fund accounts for monies collected under state statute designated to provide security for the Municipal Court facilities.

Court Technology Fund – This fund is used for monies collected under state statute designed to provide increased technology for the Municipal Court facilities.

Park Donation Fund – This fund is used for contributions from citizens designated for park improvements.

Drug Forfeiture Fund – This fund accounts for monies received from participation in federal drug enforcement activities.

Bedford Beautification Fund – This fund accounts for revenue and expenditures related to various citywide beautification programs proposed by the City's Beautification Commission.

Municipal Jury Fund – This fund accounts for funds collected under state statute to fund juror reimbursements for jury services.

Public Safety Training Fund – This fund accounts for funds received from state surplus to be used for police training.

Tourism Development Fund – This fund accounts for hotel/motel taxes received.

Red Light Cameras Fund – This fund accounts for revenues generated from red light camera fines.

NETCO/Motorola Rebanding Fund – This fund accounts for the City's portion of proceeds received from Motorola for Northeast Tarrant County Trunked Radio Consortium (NETCO). Resolution No. 07-53.

SWAT Netcast Fund – This fund accounts for revenue and expenditures for the SWAT related activities.

Truancy Prevention & Diversion Fund – This fund accounts for the salaries, benefits, training, and other expenses to fund a Juvenile Case Manager.

Various Grants Fund – This fund accounts for revenues and expenditures from multiple grants, the majority of which pertain to energy conservation.

Capital Projects Funds

Capital Projects Funds – are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds. The City's nonmajor capital projects fund is as follows:

Street and Drainage Fund – to account for construction projects funded by developer agreements and assessments.

City of Bedford, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022

	Special Revenue Funds						
	Miscellaneous Donation	Court Security	Court Technology	Park Donation	Drug Forfeiture	Bedford Beautification	Municipal Jury
ASSETS							
Cash and cash equivalents	$ 133,240	$ 12,609	$ 30,039	$ 54,046	$ 110,448	$ 57,866	$ 787
Receivables							
Accounts	1,660	-	-	368	-	-	-
Other	-	-	-	-	-	-	-
Total assets	$ 134,900	$ 12,609	$ 30,039	$ 54,414	$ 110,448	$ 57,866	$ 787
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts and contract payable	$ 9,579	$ -	$ -	$ -	$ -	$ 401	$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	9,579	-	-	-	-	401	-
Deferred inflows of resources							
Unavailable revenue	-	-	-	-	-	-	-
Fund Balances - Restricted for							
Street and drainage improvements	-	-	-	-	-	-	-
Public safety	106,608	12,609	30,039	-	110,448	-	787
Parks and beautification	-	-	-	54,414	-	57,465	-
Community services	18,713	-	-	-	-	-	-
Total fund balances	125,321	12,609	30,039	54,414	110,448	57,465	787
TOTAL LIABILITIES, DEFERRED INFLOWS, OF RESOURCES AND FUND BALANCES	$ 134,900	$ 12,609	$ 30,039	$ 54,414	$ 110,448	$ 57,866	$ 787

Special Revenue Funds							Capital Projects Fund	Total
Public Safety Training	Tourism Development	Red Light Cameras	NETCO/ Motorola Rebanding	SWAT Netcast	Truancy Prevention & Diversion	Various Grants	Street and Drainage	Nonmajor Governmental Funds
$ 13,101	$ 1,661,605	$ 11,429	$ 4,031	$ 68,642	$ 26,195	$ -	$ 2,537,851	$ 4,721,889
-	126,025	-	-	-	-	42,698	-	170,751
-	-	-	-	-	-	-	239,224	239,224
$ 13,101	$ 1,787,630	$ 11,429	$ 4,031	$ 68,642	$ 26,195	$ 42,698	$ 2,777,075	$ 5,131,864
$ -	$ 31,339	$ 6,924	$ -	$ 5,148	$ -	$ 10,263	$ -	$ 63,654
-	-	-	-	-	-	27,293	-	27,293
-	31,339	6,924	-	5,148	-	37,556	-	90,947
-	-	-	-	-	-	-	239,224	239,224
-	-	-	-	-	-	-	2,537,851	2,537,851
13,101	-	4,505	4,031	63,494	26,195	5,142	-	376,959
-	-	-	-	-	-	-	-	111,879
-	1,756,291	-	-	-	-	-	-	1,775,004
13,101	1,756,291	4,505	4,031	63,494	26,195	5,142	2,537,851	4,801,693
$ 13,101	$ 1,787,630	$ 11,429	$ 4,031	$ 68,642	$ 26,195	$ 42,698	$ 2,777,075	$ 5,131,864

City of Bedford, Texas

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2022

	Special Revenue Funds						
	Miscellaneous Donation	Court Security	Court Technology	Park Donation	Drug Forfeiture	Bedford Beautification	Municipal Jury
REVENUES							
Taxes, penalty and interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	-	33,047	28,209	-	-	-	626
Support from governmental entities	-	-	-	-	4,140	-	-
Interest	847	67	184	363	640	386	-
Miscellaneous	55,518	-	-	9,690	22,346	10,000	-
Total revenues	56,365	33,114	28,393	10,053	27,126	10,386	626
EXPENDITURES							
Current							
Community services	21,871	-	-	57,453	-	16,931	-
Public safety	47,561	-	34,458	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Interest and fiscal charges		-	-	-	-	-	-
Total expenditures	69,432	-	34,458	57,453	-	16,931	-
Excess (deficiency) of revenues over (under) expenditures	(13,067)	33,114	(6,065)	(47,400)	27,126	(6,545)	626
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(22,000)	-	-	-	-	(300)
Lease financing proceeds	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(22,000)	-	-	-	-	(300)
NET CHANGES IN FUND BALANCE	(13,067)	11,114	(6,065)	(47,400)	27,126	(6,545)	326
FUND BALANCE, beginning of year	138,388	1,495	36,104	101,814	83,322	64,010	461
FUND BALANCE, end of year	$ 125,321	$ 12,609	$ 30,039	$ 54,414	$ 110,448	$ 57,465	$ 787

Special Revenue Funds							Capital Projects Fund	Total
Public Safety Training	Tourism Development	Red Light Cameras	NETCO/ Motorola Rebanding	SWAT Netcast	Truancy Prevention & Diversion	Various Grants	Street and Drainage	Nonmajor Governmental Funds
$ -	$ 1,343,965	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,343,965
-	-	-	-	-	31,981	-	-	93,863
5,646	-	-	-	45,000	-	33,695	-	88,481
93	8,763	72	25	559	-	-	16,298	28,297
-	12,961	-	-	-	-	-	-	110,515
5,739	1,365,689	72	25	45,559	31,981	33,695	16,298	1,665,121
-	341,319	-	-	-	-	670	-	438,244
4,149	-	6,924	-	55,013	-	30,284	-	178,389
-	170,862	-	-	-	-	-	-	170,862
-	120	-	-	-	-	-	-	120
4,149	512,301	6,924	-	55,013	-	30,954	-	787,615
1,590	853,388	(6,852)	25	(9,454)	31,981	2,741	16,298	877,506
-	-	-	-	15,000	-	-	-	15,000
-	(122,833)	-	-	-	(20,000)	-	-	(165,133)
-	13,456	-	-	-	-	-	-	13,456
-	(109,377)	-	-	15,000	(20,000)	-	-	(136,677)
1,590	744,011	(6,852)	25	5,546	11,981	2,741	16,298	740,829
11,511	1,012,280	11,357	4,006	57,948	14,214	2,401	2,521,553	4,060,864
$ 13,101	$ 1,756,291	$ 4,505	$ 4,031	$ 63,494	$ 26,195	$ 5,142	$ 2,537,851	$ 4,801,693

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Nonmajor Governmental Funds

Special Revenue Funds

Annual budgets are adopted using the modified accrual basis of accounting for the following funds.

City of Bedford, Texas

Individual Schedules of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds
Year ended September 30, 2022

	Court Security			
	Original Budget	Final Budget	Actual	Variance from Budget
REVENUES				
Taxes, penalty and interest	$ -	$ -	$ -	$ -
Charges for service	-	-	-	-
Fines and forfeitures	22,000	22,000	33,047	11,047
Support from governmental entities	-	-	-	-
Interest	-	-	67	67
Miscellaneous	-	-	-	-
Total revenues	22,000	22,000	33,114	11,114
EXPENDITURES				
Current				
Community services	-	-	-	-
Public safety	-	-	-	-
Administrative services	-	-	-	-
Leisure services	-	-	-	-
Capital outlay	-	-	-	-
Interest and other fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	22,000	22,000	33,114	11,114
OTHER FINANCING SOURCES (USES)				
Lease financing proceeds	-	-	-	-
Transfers out	(22,000)	(22,000)	(22,000)	-
Total other financing sources (uses)	(22,000)	(22,000)	(22,000)	-
NET CHANGES IN FUND BALANCE	-	-	11,114	11,114
FUND BALANCE, beginning of year	1,495	1,495	1,495	-
FUND BALANCE, end of year	$ 1,495	$ 1,495	$ 12,609	$ 11,114

Court Technology				Park Donation			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
25,000	25,000	28,209	3,209	-	-	-	-
-	-	-	-	-	-	-	-
100	100	184	84	200	200	363	163
-	-	-	-	10,000	10,000	9,690	(310)
25,100	25,100	28,393	3,293	10,200	10,200	10,053	(147)
-	-	-	-	-	-	-	-
38,300	38,300	34,458	3,842	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	50,000	50,000	57,453	(7,453)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
38,300	38,300	34,458	3,842	50,000	50,000	57,453	(7,453)
(13,200)	(13,200)	(6,065)	7,135	(39,800)	(39,800)	(47,400)	(7,600)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(13,200)	(13,200)	(6,065)	7,135	(39,800)	(39,800)	(47,400)	(7,600)
36,104	36,104	36,104	-	101,814	101,814	101,814	-
$ 22,904	$ 22,904	$ 30,039	$ 7,135	$ 62,014	$ 62,014	$ 54,414	$ (7,600)

City of Bedford, Texas

Individual Schedules of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds – Continued
Year ended September 30, 2022

	Bedford Beautification			
	Original Budget	Final Budget	Actual	Variance from Budget
REVENUES				
Taxes, penalty and interest	$ -	$ -	$ -	$ -
Charges for service	-	-	-	-
Fines and forfeitures	-	-	-	-
Support from governmental entities	-	-	-	-
Interest	200	200	386	186
Miscellaneous	10,000	10,000	10,000	-
Total revenues	10,200	10,200	10,386	186
EXPENDITURES				
Current				
Community services	25,000	25,000	16,931	8,069
Public safety	-	-	-	-
Administrative services	-	-	-	-
Leisure services	-	-	-	-
Capital outlay	-	-	-	-
Interest and other fiscal charges	-	-	-	-
Total expenditures	25,000	25,000	16,931	8,069
Excess (deficiency) of revenues over (under) expenditures	(14,800)	(14,800)	(6,545)	8,255
OTHER FINANCING SOURCES (USES)				
Lease financing proceeds	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCE	(14,800)	(14,800)	(6,545)	8,255
FUND BALANCE, beginning of year	64,010	64,010	64,010	-
FUND BALANCE, end of year	$ 49,210	$ 49,210	$ 57,465	$ 8,255

Public Safety Training				Tourism Development			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
$ -	$ -	$ -	$ -	$ 1,000,000	$ 1,000,000	$ 1,343,965	$ 343,965
-	-	-	-	191,100	191,100	-	(191,100)
-	-	-	-	-	-	-	-
7,100	7,100	5,646	(1,454)	-	-	-	-
50	50	93	43	1,000	1,000	8,763	7,763
-	-	-	-	97,650	97,650	12,961	(84,689)
7,150	7,150	5,739	(1,411)	1,289,750	1,289,750	1,365,689	75,939
-	-	-	-	879,565	879,565	341,319	538,246
3,000	3,000	4,149	(1,149)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	170,862	(170,862)
-	-	-	-	-	-	120	(120)
3,000	3,000	4,149	(1,149)	879,565	879,565	512,301	367,264
4,150	4,150	1,590	(2,560)	410,185	410,185	853,388	443,203
-	-	-	-	-	-	13,456	13,456
-	-	-	-	(122,833)	(122,833)	(122,833)	-
-	-	-	-	(122,833)	(122,833)	(109,377)	13,456
4,150	4,150	1,590	(2,560)	287,352	287,352	744,011	456,659
11,511	11,511	11,511	-	1,012,280	1,012,280	1,012,280	-
$ 15,661	$ 15,661	$ 13,101	$ (2,560)	$ 1,299,632	$ 1,299,632	$ 1,756,291	$ 456,659

City of Bedford, Texas

Individual Schedules of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds – Continued
Year ended September 30, 2022

	SWAT Netcast			
	Original Budget	Final Budget	Actual	Variance from Budget
REVENUES				
Taxes, penalty and interest	$ -	$ -	$ -	$ -
Charges for service	-	-	-	-
Fines and forfeitures	-	-	-	-
Support from governmental entities	45,000	45,000	45,000	-
Interest	250	250	559	309
Miscellaneous	-	-	-	-
Total revenues	45,250	45,250	45,559	309
EXPENDITURES				
Current				
Community services	-	-	-	-
Public safety	60,000	60,000	55,013	4,987
Administrative services	-	-	-	-
Leisure services	-	-	-	-
Capital outlay	-	-	-	-
Interest and other fiscal charges	-	-	-	-
Total expenditures	60,000	60,000	55,013	4,987
Excess (deficiency) of revenues over (under) expenditures	(14,750)	(14,750)	(9,454)	5,296
OTHER FINANCING SOURCES (USES)				
Lease financing proceeds	-	-	-	-
Transfers in	15,000	15,000	15,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	15,000	15,000	15,000	-
NET CHANGES IN FUND BALANCE	250	250	5,546	5,296
FUND BALANCE, beginning of year	57,948	57,948	57,948	-
FUND BALANCE, end of year	$ 58,198	$ 58,198	$ 63,494	$ 5,296

City of Bedford, Texas

Individual Schedules of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds – Continued
Year ended September 30, 2022

Municipal Jury				Truancy Prevention & Diversion			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
300	300	626	326	20,000	20,000	31,981	11,981
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
300	300	626	326	20,000	20,000	31,981	11,981
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
300	300	626	326	20,000	20,000	31,981	11,981
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(300)	(300)	(300)	-	(20,000)	(20,000)	(20,000)	-
(300)	(300)	(300)	-	(20,000)	(20,000)	(20,000)	-
-	-	326	326	-	-	11,981	11,981
461	461	461	-	14,214	14,214	14,214	-
$ 461	$ 461	$ 787	$ 326	$ 14,214	$ 14,214	$ 26,195	$ 11,981

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Debt Service Fund

Debt Service Fund is used to account for the accumulation of resources for the repayment of long-term debt.

City of Bedford, Texas

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual
Debt Service Fund
Year ended September 30, 2022

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
REVENUES				
Taxes, penalty and interest	$ 7,825,820	$ 7,825,820	$ 7,608,439	$ (217,381)
Interest	10,000	10,000	12,342	2,342
Total revenues	7,835,820	7,835,820	7,620,781	(215,039)
EXPENDITURES				
Principal retirement	4,600,000	4,600,000	4,600,000	-
Interest and fiscal agent fees	2,567,776	2,567,776	2,566,538	1,238
Total expenditures	7,167,776	7,167,776	7,166,538	1,238
Excess (deficiency) of revenues over expenditures	668,044	668,044	454,243	(213,801)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	10,417	10,417
Total other financing sources (uses)	-	-	10,417	10,417
NET CHANGES IN FUND BALANCE	668,044	668,044	464,660	(203,384)
FUND BALANCE, beginning of year	1,093,161	1,093,161	1,093,161	-
FUND BALANCE, end of year	$ 1,761,205	$ 1,761,205	$ 1,557,821	$ (203,384)

Statistical Section (Unaudited)

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Statistical Section

This part of the City of Bedford's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. The tables herein, are unaudited.

Contents

Page

Financial Trends 96

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 106

These schedules contain trend information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity 114

These schedules contain trend information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 122

The schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.

Operating Information 128

The schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules are derived from Annual Comprehensive Financial Reports for the relevant year.

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Financial Trends

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City of Bedford, Texas **Table 1**

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2013	2014	2015*	2016**	2017***	2018	2019	2020	2021	2022
Governmental Activities										
Net investment in capital assets	$ 14,323,066	$ 10,378,086	$ 12,689,825	$ 16,607,993	$ 16,730,480	$ 20,557,161	$ 26,261,635	$ 30,869,433	$ 28,141,175	$ 45,065,050
Restricted	8,426,186	6,081,351	6,583,532	9,411,339	9,064,137	7,368,500	7,222,051	6,520,240	10,818,317	11,044,351
Unrestricted	(20,696)	5,653,694	(3,086,535)	(3,727,742)	(3,770,175)	(1,847,912)	(3,266,088)	2,257,244	(10,049,428)	(18,136,083)
Total governmental activities net position	$ 22,728,556	$ 22,113,131	$ 16,186,822	$ 22,291,590	$ 22,024,442	$ 26,077,749	$ 30,217,598	$ 39,646,917	$ 28,910,064	$ 37,973,318
Business-type Activities										
Net investment in capital assets	$ 20,170,192	$ 32,812,435	$ 33,942,144	$ 34,388,626	$ 35,250,028	$ 36,338,584	$ 39,510,350	$ 39,149,012	$ 40,412,557	$ 41,873,167
Restricted	-	158,872	-	-	6,691	6,691	6,691	6,691	6,691	-
Unrestricted	11,845,248	5,256,555	4,062,030	4,454,409	5,099,493	6,262,758	4,168,137	6,609,492	6,374,692	8,985,299
Total business-type activities, net position	$ 32,015,440	$ 38,227,862	$ 38,004,174	$ 38,843,035	$ 40,356,212	$ 42,608,033	$ 43,685,178	$ 45,765,195	$ 46,793,940	$ 50,858,466
Primary Government										
Net investment in capital assets	$ 34,493,258	$ 43,190,521	$ 46,631,969	$ 50,996,619	$ 51,980,508	$ 56,895,745	$ 65,771,985	$ 70,018,445	$ 68,553,732	$ 86,938,217
Restricted	8,426,186	6,240,223	6,583,532	9,411,339	9,070,828	7,375,191	7,228,742	6,526,931	10,825,008	11,044,351
Unrestricted	11,824,552	10,910,249	975,495	726,667	1,329,318	4,414,846	902,049	8,866,736	(3,674,736)	(9,150,784)
Total primary government net position	$ 54,743,996	$ 60,340,993	$ 54,190,996	$ 61,134,625	$ 62,380,654	$ 68,685,782	$ 73,902,776	$ 85,412,112	$ 75,704,004	$ 88,831,784

*Amounts for 2015 were restated from the effects of GASB Statement No. 68 implementation.
**Amounts for 2016 were restated to reflect the effects of prior period adjustment as described in prior financial statements
***Amounts for 2017 were restated to reflect the effects of GASB Statement No. 75

City of Bedford, Texas
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year		
	2013	2014	2015
Expenses			
Governmental activities			
General government and administration	$ 4,688,432	$ 5,688,961	$ 5,393,564
Community services	2,017,011	1,549,075	1,744,633
Public services	3,486,148	3,431,383	3,655,287
Public safety	22,828,761	23,669,141	22,264,933
Leisure services	3,765,867	3,823,403	4,068,948
Interest expense	1,724,511	1,288,725	1,301,208
Total governmental activities expense	38,510,730	39,450,688	38,428,573
Business-type activities			
Water and sewer services	15,645,261	16,560,909	16,746,182
Stormwater collection and disposal	1,256,126	926,258	956,824
Total business-type activities expenses	16,901,387	17,487,167	17,703,006
Total primary government program expenses	$ 55,412,117	$ 56,937,855	$ 56,131,579
Program revenues			
Governmental activities			
Charges for services			
General government and administration	$ 76,647	$ 86,874	$ 159,473
Community services	358,167	586,449	274,561
Public services	218,646	261,846	1,111,453
Public safety	3,374,638	4,083,939	4,227,029
Leisure services	1,158,956	1,210,305	1,126,884
Operating grants and contributions	610,603	599,930	61,067
Capital grants and contributions	-	93,556	79,783
Total governmental activities program revenues	5,797,657	6,922,899	7,040,250
Business-type activities			
Charges for services			
Water and sewer services	17,908,621	18,607,795	19,102,535
Stormwater collection and disposal	1,290,624	1,312,932	1,302,656
Capital grants and contributions	-	6,263,044	325,496
Total business-type activities program revenues	19,199,245	26,183,771	20,730,687
Total primary government program revenues	$ 24,996,902	$ 33,106,670	$ 27,770,937

Fiscal Year							
2016	2017	2018	2019	2020	2021	2022
$ 5,429,870	$ 5,172,343	$ 5,358,893	$ 5,387,669	$ 6,156,789	$ 9,841,070	$ 7,941,147
1,876,441	1,811,320	2,316,201	2,624,216	2,027,787	4,667,871	2,264,255
5,983,295	5,421,724	5,696,229	6,823,307	5,312,274	5,977,891	4,962,341
20,780,556	22,016,970	22,212,547	22,464,281	22,347,021	35,129,701	27,843,780
4,364,247	5,418,465	5,315,999	5,426,554	4,627,770	6,239,508	4,851,279
932,371	750,473.00	1,264,535	2,945,605	2,753,347	2,575,508	2,488,857
39,366,780	40,591,295	42,164,404	45,671,632	43,224,988	64,431,549	50,351,659
17,510,256	18,565,424.00	19,193,627	19,954,614	19,939,424	20,341,759	21,071,772
874,192	873,153	972,189	1,145,538	973,147	1,102,992	966,350
18,384,448	19,438,577	20,165,816	21,100,152	20,912,571	21,444,751	22,038,122
$ 57,751,228	$ 60,029,872	$ 62,330,220	$ 66,771,784	$ 64,137,559	$ 85,876,300	$ 72,389,781
$ 91,702	$ 92,875.00	$ 92,114	$ 87,355	$ 87,443	$ 100,914	$ 84,800
310,534	330,216.00	1,277,634	1,115,387	1,125,668	948,562	1,139,417
1,102,811	934,551	644	983	235	-	-
3,837,145	4,030,313	4,281,278	3,921,718	3,570,409	3,578,738	4,562,056
1,158,145	1,091,945	1,068,533	1,051,300	94,790	95,095	167,546
41,653	24,828	45,842	63,548	1,980,380	825,951	3,659,949
135,258	511,184	731,673	282,931	584,841	768,381	379,518
6,677,248	7,015,912	7,497,718	6,523,222	7,443,766	6,317,641	9,993,286
20,267,092	20,995,798.00	22,528,181	22,243,765	23,381,490	23,484,233	26,430,327
1,303,734	1,660,438	1,695,337	1,633,428	1,700,008	1,700,019	1,867,408
162,647	625,677	209,972	56,143	150,816	411,778	483,905
21,733,473	23,281,913	24,433,490	23,933,336	25,232,314	25,596,030	28,781,640
$ 28,410,721	$ 30,297,825	$ 31,931,208	$ 30,456,558	$ 32,676,080	$ 31,913,671	$ 38,774,926

City of Bedford, Texas

Changes in Net Position – Continued
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year		
	2013	2014	2015
Net (expense) revenues			
Governmental activities	$ (32,713,073)	$ (32,527,789)	$ (31,388,323)
Business-type activities	2,297,858	8,696,604	3,027,681
Total primary government net expense	(30,415,215)	(23,831,185)	(28,360,642)
General revenues and other			
Changes in net position			
Governmental activities			
Taxes			
Property	14,488,399	14,297,275	14,543,198
Sales	9,629,427	9,985,658	11,048,748
Franchise and occupancy	3,338,307	3,584,311	3,555,243
Other	901,956	1,028,447	1,236,319
Unrestricted grants and contributions	-	-	-
Investment earnings	33,521	43,393	45,552
Miscellaneous	535,474	466,677	425,314
Transfers	2,414,451	2,506,603	2,479,790
Total governmental activities	31,341,535	31,912,364	33,334,164
Business-type activities			
Investment earnings	47,321	22,421	14,955
Miscellaneous	11,406	-	-
Transfers	(2,414,451)	(2,506,603)	(2,479,790)
Total business-type activities	(2,355,724)	(2,484,182)	(2,464,835)
Total primary government	28,985,811	29,428,182	30,869,329
Change in net position			
Government activities	(1,371,538)	(615,425)	1,945,841
Business-type activities	(57,866)	6,212,422	562,846
Total primary government	$ (1,429,404)	$ 5,596,997	$ 2,508,687

Fiscal Year						
2016	2017	2018	2019	2020	2021	2022
$ (32,689,533)	$ (33,575,383)	$ (34,666,686)	$ (39,148,410)	$ (35,781,222)	$ (58,113,908)	$ (40,358,373)
3,349,025	3,843,336	4,267,674	2,833,184	4,319,743	4,151,279	6,743,518
(29,340,508)	(29,732,047)	(30,399,012)	(36,315,226)	(31,461,479)	(53,962,629)	(33,614,855)
15,507,727	16,273,095	19,143,856	22,131,826	24,479,357	25,362,585	25,361,450
10,787,539	10,905,398	10,936,716	11,739,682	12,201,337	13,729,929	15,606,501
3,432,957	3,331,500	3,432,589	3,209,965	3,651,973	3,881,342	4,390,904
1,358,741	1,070,774	954,751	1,032,118	18,000	-	-
-	231,388	237,958	-	-	-	-
86,353	227,800	987,778	2,184,375	1,355,958	379,552	437,720
4,526,458	140,792	733,385	126,100	731,554	564,168	733,385
2,644,416	2,697,694.00	2,827,805	2,864,193	2,772,362	3,459,479	2,962,703
38,344,191	34,878,441	39,254,838	43,288,259	45,210,541	47,377,055	49,492,663
174,144	356,632	811,952	1,006,994	542,904	336,945	346,006
(39,892)	-	-	101,160	(10,268)	-	(61,546)
(2,644,416)	(2,697,694)	(2,827,805)	(2,864,193)	(2,772,362)	(3,459,479)	(2,962,703)
(2,510,164)	(2,341,062)	(2,015,853)	(1,756,039)	(2,239,726)	(3,122,534)	(2,678,243)
35,834,027	32,537,379	37,238,985	41,532,220	42,970,815	44,254,521	46,814,420
5,654,658	1,303,058	4,588,152	4,139,849	9,429,319	(10,736,853)	9,134,290
838,861	1,502,274	2,251,821	1,077,145	2,080,017	1,028,745	4,065,275
$ 6,493,519	$ 2,805,332	$ 6,839,973	$ 5,216,994	$ 11,509,336	$ (9,708,108)	$ 13,199,565

City of Bedford, Texas **Table 3**

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2013	2014	2015	2016**	2017	2018	2019	2020	2021	2022
General fund										
Nonspendable	$ 357,761	$ 724,210	$ 326,676	$ 236,097	$ 30,104	$ 24,572	$ 33,491	$ 38,089	$ 48,007	$ 43,702
Restricted	-	478,872	-	35,464	35,464	35,464	35,464	35,464	35,464	-
Assigned	-	-	-	140,000	-	-	-	-	-	-
Committed - special projects	-	-	-	4,486,890	-	-	-	-	-	-
Unassigned	5,751,658	6,172,841	7,199,906	7,437,211	11,873,958	13,587,512	12,823,875	17,752,892	20,881,030	12,113,153
Total general fund	$ 6,109,419	$ 7,375,923	$ 7,526,582	$ 12,335,662	$ 11,939,526	$ 13,647,548	$ 12,892,830	$ 17,826,445	$ 20,964,501	$ 12,156,855
All other governmental funds										
Restricted for										
Debt service	$ 1,060,593	$ 977,409	$ 936,907	$ 944,473	$ 973,557	$ 1,049,549	$ 1,087,072	$ 1,055,347	$ 1,093,161	$ 1,557,821
Street and drainage improvements	1,832,971	1,839,601	1,848,957	2,274,285	2,392,382	2,390,700	2,457,154	2,507,056	2,521,553	2,537,851
Capital acquisition and construction	3,274,169	7,015,936	3,207,349	1,184,007	828,271	61,113,475	62,640,687	68,344,678	43,959,474	18,871,261
Economic development	1,903,735	2,697,890	3,713,371	4,515,434	4,465,576	4,224,387	3,592,669	3,413,108	4,949,824	4,904,331
Community services	-	-	-	-	-	-	-	-	-	1,775,004
Public safety	248,091	284,840	277,111	279,938	210,675	212,830	208,740	205,401	204,599	376,959
Parks and beautification	715,438	982,540	1,234,435	109,323	120,624	138,990	150,766	154,388	165,824	111,879
Other	48,909	75,590	95,032	68,415	68,215	66,611	84,029	96,747	156,608	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 9,083,906	$ 13,873,806	$ 11,313,162	$ 9,375,875	$ 9,059,300	$ 69,196,542	$ 70,221,117	$ 75,776,725	$ 53,051,043	$ 30,135,106

**Amounts for 2016 were restated to reflect the effects of prior period adjustment as described in prior financial statements

City of Bedford, Texas **Table 4**

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES										
Taxes, penalties and interest	$ 28,278,856	$ 29,072,928	$ 30,729,516	$ 30,859,702	$ 31,805,280	$ 34,728,875	$ 38,132,727	$ 40,180,922	$ 43,059,775	$ 45,256,610
Licenses and permits	456,761	628,484	871,081	692,700	1,056,327.00	1,004,797	1,003,348	1,030,639	877,104	1,199,366
Charges for services	3,097,437	3,177,429	3,591,135	3,959,448	3,332,863	3,651,650	3,335,686	2,427,403	2,362,785	2,534,066
Fines and forfeitures	1,502,737	2,220,906	1,949,006	1,660,311	1,742,325	1,802,258	1,476,392	1,047,963	1,050,174	1,173,223
Support from governmental entities	661,413	689,840	647,946	365,533	694,134	686,310	520,990	678,278	508,487	1,174,635
Interest	33,521	43,393	45,552	86,353	227,800	987,779	2,184,375	1,355,958	379,552	437,720
Miscellaneous	622,819	425,913	486,410	4,792,905	223,805	228,312	239,819	2,729,381	1,156,985	4,308,029
Total revenues	34,653,544	36,258,893	38,320,646	42,416,952	39,082,534	43,089,981	46,893,337	49,450,544	49,394,862	56,083,649
EXPENDITURES										
General government	1,627,934	1,791,511	2,229,137	2,005,931	2,335,285.00	2,387,709	2,402,492	3,490,409	4,058,025	4,273,746
Community services	1,953,414	1,488,981	1,682,326	1,806,262	1,744,784	2,175,457	2,457,588	1,896,732	2,199,231	2,182,902
Public services	2,457,948	2,452,901	2,622,977	3,263,538	2,937,472	3,326,194	5,199,368	4,170,468	4,297,394	4,438,626
Administrative services	1,946,533	2,261,952	2,057,540	2,194,218	2,659,858	2,741,039	2,707,621	2,502,610	3,326,890	3,448,098
Public safety	16,797,850	18,051,735	18,346,405	19,383,973	20,243,699	20,602,308	20,909,014	21,672,049	22,752,399	27,527,203
Leisure services	3,751,588	3,804,071	4,046,351	4,290,997	4,306,461	4,221,724	4,277,851	3,612,983	3,704,325	4,189,183
Capital outlay	1,243,851	2,114,252	5,154,812	2,943,455	2,917,962	1,460,298	6,274,316	6,752,435	31,305,181	38,017,850
Debt service										
Interest and fiscal agent fees	1,689,615	1,462,845	1,358,233	1,119,668	912,214.00	847,728	4,717,422	4,825,799	2,829,834	5,210,000
Principal retirement	5,066,888	5,268,055	5,775,675	5,698,767	5,914,341	7,069,573	3,433,233	3,028,661	4,644,489	2,733,024
Bond issuance costs	72,818	96,476	-	-	-	-	-	-	-	-
Total expenditures	36,608,439	38,792,779	43,273,456	42,706,809	43,972,076	44,832,030	52,378,905	51,952,146	79,117,768	92,020,632

City of Bedford, Texas **Table 4**

Changes in Fund Balances of Governmental Funds – Continued
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,954,895)	(2,533,886)	(4,952,810)	(289,857)	(4,889,542)	(1,742,049)	(5,485,568)	(2,501,602)	(29,722,906)	(35,936,983)
OTHER FINANCING SOURCES (USES)										
Issuance of general obligation bonds	5,375,000	5,500,000	-	-	1,105,000	57,540,000	2,750,000	12,980,000	7,590,000	-
Payments to refund escrow	-	-	-	-	-	-	-	(3,352,149)	(1,258,609)	-
Premium on bonds issued	-	-	-	-	-	2,667,427	126,830	501,721	-	-
Lease purchase proceeds	228,370	221,936	-	-	323,221	462,030	-	-	-	916,867
Proceeds from sale of capital assets	77	40,764	35,550	11,489	8,329	4,733	14,063	34,202	139,722	-
Premium on debt	75,085	61,948	-	-	-	-	-	-	-	-
Payments to escrow account	(3,682,267)	-	-	-	-	-	-	-	-	-
Insurance proceeds	45,073	30,669	27,485	55,635	42,587	85,318	339	54,689	204,688	333,830
Transfers in	3,896,716	3,999,750	3,956,299	4,658,149	4,218,256	4,407,859	3,030,814	3,164,277	3,912,283	3,444,213
Transfers out	(1,482,265)	(1,493,147)	(1,476,509)	(2,013,733)	(1,520,562)	(1,580,054)	(166,621)	(391,915)	(452,804)	(481,510)
Total other financing sources (uses)	4,455,789	8,361,920	2,542,825	2,711,540	4,176,831	63,587,313	5,755,425	12,990,825	10,135,280	4,213,400
NET CHANGED IN FUND BALANCES	$ 2,500,894	$ 5,828,034	$ (2,409,985)	$ 2,421,683	$ (712,711)	$ 61,845,264	$ 269,857	$ 10,489,223	$(19,587,626)	$(31,723,583)
Debt Service as a Percentage of Noncapital Expenditures	20.2%	19.3%	18.6%	18.7%	17.1%	17.3%	17.7%	17.4%	15.6%	14.7%

Revenue Capacity

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City of Bedford, Texas **Table 5**

Tax Revenues by Source – Governmental Funds
Last Ten Fiscal Years

Fiscal Years Ended	Ad Valorem	Hotel/Motel	Franchise	Sales and Other	Total
2013	$ 14,488,399	$ 749,612	$ 3,338,307	$ 9,629,427	$ 28,205,745
2014	14,297,275	840,119	3,584,311	9,985,658	28,707,363
2015	14,543,198	1,027,473	3,555,243	11,048,748	30,174,662
2016	15,507,727	1,123,421	3,432,957	11,022,859	31,086,964
2017	16,266,220	1,070,774	3,331,500	11,136,786	31,805,280
2018	19,452,182	954,751	3,432,589	10,936,716	34,776,238
2019	22,048,319	1,022,188	3,209,965	11,739,682	38,020,154
2020	24,416,168	729,835	2,922,138	12,201,337	40,269,478
2021	26,723,504	1,052,538	2,828,804	12,454,929	43,059,775
2022	25,398,205	1,343,965	3,046,939	15,467,501	45,256,610

City of Bedford, Texas **Table 6**

Water Revenue
Last Ten Fiscal Years

Fiscal Year	Number of Customers	Gallons Billed (000's)	Water Revenue	Revenue Per Customer	Revenue Per 1,000 Gallons
2013	23,018	2,511,415	11,834,377	514	4.71
2014	23,041	2,337,171	11,855,648	515	5.07
2015	23,116	2,235,456	12,309,854	533	5.51
2016	23,172	2,355,706	12,806,549	553	5.44
2017	23,216	2,282,073	13,165,148	567	5.77
2018	23,225	2,445,290	14,121,583	608	5.78
2019	23,246	2,177,551	13,414,821	577	6.16
2020	23,271	2,325,519	14,507,430	623	6.24
2021	23,246	2,177,551	14,610,636	629	6.71
2022	23,270	2,591,523	16,931,085	728	6.53

City of Bedford, Texas **Table 7**

Principal Water Customers

Fiscal Year ended September 30, 2022

Customer Name	Gallons Consumed (000's)	Percent Total	Amount Billed	Total Percent
Texas Health Resources-HEB Hospital	65,087	2.51%	$ 525,791	3.11%
Canopy on Central LP	50,327	1.94%	269,421	1.59%
Colonial Village @ Shoal Creek	36,022	1.39%	199,256	1.18%
Colonial Village @ Willow Creek	31,286	1.21%	177,816	1.05%
The Logan	31,149	1.20%	174,284	1.03%
The Morgan Apartments	25,729	0.99%	131,572	0.78%
Heartis Mid Cities Partner	24,195	0.93%	118,305	0.70%
MRT Point Loma LLC	21,873	0.84%	112,655	0.67%
Cornerstone Summerstone	17,415	0.67%	97,458	0.58%
The Creek on Park Place	16,526	0.64%	129,444	0.76%
Top Ten Total	319,609	12.33%	$ 1,936,002	11.43%
City Total	2,591,523	100.00%	$ 16,931,085	100.00%

City of Bedford, Texas **Table 8**

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Total Appraised Value	Less: Tax-exempt Property	Net Taxable Value	Total Direct Tax Rate	Estimated Net Taxable Value
2013	$ 3,235,990,575	$ 159,315,402	$ 3,395,305,977	$ 429,317,650	$ 2,965,988,327	0.4991150	$ 2,970,991,006
2014	3,202,304,589	161,052,296	3,363,356,885	402,262,501	2,961,094,384	0.4948303	2,961,094,384
2015	3,372,021,008	165,181,254	3,537,202,262	449,152,253	3,088,050,009	0.4948303	3,121,183,647
2016	3,359,873,966	168,488,758	3,528,362,724	451,210,531	3,077,152,193	0.4948303	3,192,632,438
2017	3,683,978,396	169,722,606	3,853,701,002	463,425,828	3,390,275,174	0.4765090	3,566,086,055
2018	4,159,701,044	192,718,639	4,352,419,683	546,896,067	3,805,523,616	0.5200000	3,939,845,851
2019	4,617,406,859	215,528,570	4,832,935,429	575,776,312	4,257,159,117	0.5618620	4,315,127,332
2020	5,050,500,158	229,032,759	5,279,532,917	601,536,699	4,677,996,218	0.5690000	4,756,793,584
2021	5,063,731,689	238,824,368	5,302,556,057	615,101,320	4,687,454,737	0.5690000	4,894,309,414
2022	5,254,590,619	236,126,771	5,490,717,390	543,025,291	4,947,692,099	0.5520000	5,124,095,566

Source: Tarrant Appraisal District (Reports)

City of Bedford, Texas **Table 9**

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2022 Taxable Assessed Value		2022 Percentage of Total City Taxable Assessed Value	2013 Taxable Assessed Value		2013 Percentage of Total City Taxable Assessed Value
Canopy on Central LP/Logan Al LP The	$ 164,397,419	1	3.21%	$ -		-
CMF 15 Portfolio LLC	155,600,000	2	3.04%	73,470,000	1	2.48%
Morgan Res LLC	61,900,000	3	1.21%	-		-
TS Asset Bedford LLC	44,600,000	4	0.87%	-		-
SPCP Bradford on Park Owner LLC	43,894,846	5	0.86%	-		-
MRT Point Loma De LLC	40,660,000	6	0.79%	-		-
Arbors 1 LLC	32,900,000	7	0.64%	-		-
AMFP IV Pecan Vreek LLC	31,700,000	8	0.62%	-		-
272 Northglenn Partners	31,100,000	9	0.61%	-		-
Windmill DFW 4 LLC	29,100,000	#	0.57%	-		-
Wal-Mart Stores, Inc.	-		-	26,927,484	2	0.91%
Oncor Electric	-		-	20,504,250	3	0.69%
Pem 121 Airport S, L.P.	-		-	18,678,384	4	0.63%
Parc Plaza Homes, L.P.	-		-	17,115,295	5	0.58%
Paramount Villages LLC	-		-	15,033,000	6	0.51%
WDOP Sub I & II LP	-		-	14,881,240	7	0.50%
ARC RRBDFTX001 LLC	-		-	13,655,895	8	0.46%
CRP/TBG Harwood Hills LP				13,323,820	9	0.45%
State National Ins Co Inc	-		-	13,165,257	#	0.44%
Total	$ 635,852,265		12.42%	$ 226,754,625		7.66%
Total Taxable Assessed Value	$ 5,124,095,566			$ 2,961,094,384		

City of Bedford, Texas **Table 10**

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	14,437,257	14,263,591	98.80%	51,368	14,314,959	99.15%
2014	14,524,393	14,414,247	99.24%	15,727	14,429,974	99.35%
2015	15,079,653	14,817,417	98.26%	33,488	14,850,905	98.48%
2016	15,294,958	15,244,866	99.67%	18,242	15,263,108	99.79%
2017	16,266,337	16,194,415	99.56%	18,080	16,212,495	99.67%
2018	19,162,258	19,052,625	99.43%	46,281	19,098,906	99.67%
2019	22,188,910	22,117,645	99.68%	69,655	22,187,300	99.99%
2020	24,417,311	24,327,917	99.63%	(23,290)	24,304,627	99.54%
2021	25,411,165	25,316,588	99.63%	24,072	25,340,660	99.72%
2022	25,639,358	25,551,687	99.66%	(60,331)	25,491,356	99.42%

Source: Tarrant County Tax Office (YTD Summary - Part C)

Debt Capacity

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City of Bedford, Texas **Table 11**

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities					Business-Type Activities						
Fiscal Year	General Obligation Bonds	Contractual Obligations	Certificates of Obligation	Tax Notes	Capital Leases	Water Revenue Bonds	General Obligation Bonds	Certificates of Obligation	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2013	$ 35,680,000	$ -	$ 2,120,000	$ -	$ 478,872	$ -	$ 3,945,000	$ 14,330,000	$ -	$ 56,553,872	3.50%	$ 1,164
*2014	34,926,852	2,309,788	1,977,498	-	395,817	-	3,703,018	13,756,004	-	57,068,977	3.32%	1,171
2015	29,462,886	2,098,809	1,805,970	-	310,142	-	3,395,766	13,097,194	-	50,170,767	2.83%	1,023
2016	24,083,919	1,882,830	1,634,443	-	221,375	-	3,078,513	41,798,385	-	72,699,465	4.00%	1,479
2017	18,809,953	1,661,852	1,452,915	885,000	370,255	-	2,751,261	40,459,576	-	66,390,812	3.64%	1,348
2018	72,728,413	1,440,873	1,266,387	670,000	517,710	-	9,267,684	55,900,937	-	141,792,004	7.59%	2,877
2019	68,611,076	1,214,894	1,074,860	3,326,830	265,288	-	8,763,517	58,278,838	-	141,535,303	7.20%	2,863
2020	75,026,130	983,915	878,332	2,601,464	44,489	-	9,475,089	55,146,873	-	144,156,292	7.14%	2,907
2021	74,291,093	747,936	4,166,804	1,811,098	2,875,947	-	11,177,348	50,894,908	14,282	145,979,416	6.91%	2,924
2022	70,080,753	506,958	3,750,000	1,225,732	2,654,682	-	10,139,606	49,206,960	91,347	137,656,038	6.44%	2,757

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Personal income and population information can be found in Table 16
*Beginning Fiscal Year 2014, balances are net of bond premium/discounts.

City of Bedford, Texas **Table 12**

Ratio of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding: Gross Bonded Debt	Less Debt Service	Less Debt Payable from Enterprise	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2013	$ 56,075,000	$ 1,070,702	$ 12,075,000	$ 42,929,298	1.44%	884
2014	54,363,372	977,409	17,459,022	35,926,941	1.21%	737
2015	47,761,816	936,908	16,492,960	30,331,948	0.97%	618
2016	70,595,260	944,475	44,876,898	24,773,887	0.78%	504
2017	63,473,704	973,557	43,210,837	19,289,310	0.54%	392
2018	139,163,423	1,049,549	55,900,937	82,212,937	2.09%	1,668
2019	136,594,919	1,087,072	58,278,838	77,229,009	1.79%	1,567
2020	140,526,424	1,055,347	55,146,873	84,324,204	1.77%	1,701
2021	140,530,152	1,086,090	50,894,908	88,549,154	1.81%	1,814
2022	133,177,319	1,338,327	49,206,960	82,632,032	1.61%	1,655

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Property value data can be found in Table 8
Population data can be found in Table 16

City of Bedford, Texas **Table 13**

Direct and Overlapping
Governmental Activities Debt
September 30, 2021

Taxing Jurisdiction	Taxable Assessed Value (000's) 2021/2022	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Direct and Overlapping Debt
Hurst-Euless-Bedford Independent School District	$17,205,287,717	$ 361,619,498	28.16%	$ 101,832,051
Tarrant County	221,062,909,213	571,619,051	2.08%	11,889,676
Tarrant County College District	224,139,108,659	610,315,000	2.08%	12,694,552
Tarrant County Hospital District	221,576,181,744	23,165,000	2.08%	481,832
Subtotal overlapping debt		1,566,718,549		126,898,111
City of Bedford	5,038,368,212	78,218,428	100.00%	78,218,428
Total direct and overlapping debt		$ 1,644,936,977		$ 205,116,539

Source: Debt outstanding data provided by each governmental unit or obtained from Municipal Advisory Council of Texas.

*The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

City of Bedford, Texas **Table 14**

Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	Total taxable assessed value (AV)	Debt limit 2.5% of Assessed Value (AV)	Total Net Debt Applicable to the Limit	Legal Debt Margin	Total net debt applicable to the limit as a % of Taxable AV	% of Debt Limit Available
2013	$ 2,965,988,327	$ 74,149,708	$ 56,075,000	$ 18,074,708	1.9%	24.4%
2014	2,961,094,384	74,027,360	56,673,160	17,354,200	1.9%	23.4%
2015	3,121,183,647	78,029,591	49,860,625	28,168,966	1.6%	36.1%
2016	3,077,152,193	76,928,805	72,478,091	4,450,714	2.4%	5.8%
2017	3,390,275,174	84,756,879	66,020,556	18,736,323	1.9%	22.1%
2018	3,805,523,616	95,138,090	72,728,413	22,409,677	1.9%	23.6%
2019	4,257,159,117	106,428,978	68,477,704	37,951,274	1.6%	35.7%
2020	4,677,996,218	116,949,905	75,026,130	41,923,776	1.6%	35.8%
2021	4,687,454,737	117,186,368	74,291,093	42,895,275	1.6%	36.6%
2022	4,947,692,099	123,692,302	70,080,753	53,611,549	1.4%	43.3%

***Note:** The City of Bedford does not have a legal debt limit prescribed by state law. However, Article XI, Section 5 of the State Constitution provide that a maximum tax rate of $2.50 per $100 assessed valuation may be imposed for any one year. Additionally, no debt shall be created by any city, unless at the same time provision be made to assess and collect annually a sufficient sum to pay the interest thereon and creating an interest and sinking fund of at least 2 percent thereon.

Although Section 6.01 of the Bedford City Charter states a maximum tax rate of $1.50 per $100 assessed valuation, this particular table will address the City of Bedford's legal debt limit by using Article XI, Section 5 of the State Constitution because the City does not officially have a legal debt limit for general obligation bonds as well as certificate of obligations

City of Bedford, Texas **Table 15**

Pledged Revenue Coverage
Last Ten Fiscal Years

	Water Revenue Bonds							
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Revenue Bond Coverage	Average Annual Debt Service	Average Requirements
				Principal	Interest			
2013	$ 17,908,621	$ 13,900,489	$ 4,008,132	$ -	$ -	-	$ -	-
2014	18,607,795	14,575,557	4,032,238	-	-	-	-	-
2015	19,102,535	14,623,282	4,479,253	-	-	-	-	-
2016	20,267,092	14,853,564	5,413,528	-	-	-	-	-
2017	20,995,798	15,753,352	5,242,446	-	-	-	-	-
2018	22,528,121	15,832,882	6,695,239	-	-	-	-	-
2019	22,243,765	16,531,568	5,712,197	-	-	-	-	-
2020	23,381,490	16,274,933	7,106,557	-	-	-	-	-
2021	26,430,327	17,534,639	8,895,688	-	-	-	-	-
2022	26,430,327	17,534,072	8,896,255	-	-	-	-	-

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Operating expenses do not include interest, depreciation, or amortization expenses.

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Demographic and Economic Information

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City of Bedford, Texas **Table 16**

Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population	(000's) Personal Income	Per Capita Personal Income	Average Household Income	Median Age	School Enrollment	Unemployment Rate
2013	48,566	$ 1,615,499	$ 33,264	$ 78,521	40	21,814	5.3%
2014	48,721	1,719,705	35,297	78,372	41	22,138	4.7%
2015	49,054	1,773,155	36,147	80,275	41	22,180	4.6%
2016	49,151	1,819,154	37,001	82,240	41	22,762	3.6%
2017	49,234	1,824,415	37,056	82,321	41	23,090	3.2%
2018	49,282	1,869,217	37,929	83,807	42	23,578	3.3%
2019	49,428	1,964,714	39,749	87,623	42	23,707	3.2%
2020	49,582	2,018,880	40,718	89,476	42	23,707	7.7%
2021	49,928	2,111,904	42,299	92,977	42	23,015	5.8%
2022	49,924	2,137,646	42,818	94,103	42	22,971	3.3%

Sources: Population: North Central Texas Council of Governments (NCTOG)
Per Capita Personal Income and Average Household Income: Alteryx
Median Age and Unemployment Rate: Alteryx
School Enrollment: HEB ISD/About/Quick Facts
Unemployment Rate: Texas Labor Market and Career Information (TWC)

City of Bedford, Texas **Table 17**

Principal Employers
Current Year and Nine Years Ago

Employer	2022 Employees	2022 Percentage of Total City Employment	2013 Employees	2013 Percentage of Total City Employment
Texas Health Resources HEB	1,458	5.11%	1,700	6.02%
Carter BloodCare	949	3.33%	865	3.06%
HEB ISD (Admin Offices/Bedford Campuses)	772	2.71%	250	0.89%
State National Companies	533	1.87%	350	1.24%
Warrantech	480	1.68%	415	1.47%
Walmart Supercenter	411	1.44%	410	1.45%
City of Bedford	355	1.25%	373	1.32%
Daystar Television Network	294	1.03%	266	0.94%
Bedford Wellness & Rehab	140	0.49%	-	0.00%
Kroger Foods, Inc.	125	0.44%	80	0.28%
Albertson's	-	-	85	0.30%
The Beryl Companies	-	-	330	1.17%
Grubb's Nissan	-	-	113	0.40%
Heartland of Bedford	-	-	110	0.39%
Transamerica Insurance	-	-	308	1.09%
	28,511	19.37%	28,229	20.03%

Sources:

Information comes from City of Bedford, Economic Development Department - Demographics data
Total City Employment information can be found Texas Workfoce Commission Website via
(http://www.tracer2.com/cgi/dataanalysis/labForceReport.asp?menuchoice=LABFORCE)
- this link only gives the grand total

City of Bedford, Texas **Table 18**

Direct and Overlapping Tax Rates
Last Ten Fiscal Years

	City Direct Rates			Overlapping Rates			
Fiscal Year	Operating / General Rate	General Obligation Debt Service	Total Direct Rate	Hurst-Euless-Bedford ISD	Tarrant County	Tarrant County Hospital District	Tarrant County Community College
2013	0.306043	0.193072	0.499115	1.4075	0.2640	0.2279	0.1490
2014	0.303214	0.191616	0.494830	1.3875	0.2640	0.2279	0.1495
2015	0.289907	0.204923	0.494830	1.3750	0.2640	0.2279	0.1495
2016	0.299332	0.195498	0.494830	1.3500	0.2640	0.2279	0.1495
2017	0.303747	0.172762	0.476509	1.3160	0.2540	0.2279	0.1447
2018	0.340560	0.179440	0.520000	1.2630	0.2440	0.2244	0.1401
2019	0.344135	0.217727	0.561862	1.2730	0.2340	0.2244	0.1361
2020	0.384633	0.184367	0.569000	1.1980	0.2340	0.2244	0.1302
2021	0.386990	0.165010	0.552000	1.1608	0.2290	0.2244	0.1302
2022	0.386990	0.165010	0.552000	1.1098	0.2240	0.2244	0.1302

Sources: City of Bedford Budget Office, Tarrant Appraisal District

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Operating Information

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City of Bedford, Texas **Table 19**

Full-time Equivalent City Governmental Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Management and Communication	6.0	7.5	7.5	9.5	9.5	9.5	9.5	10.5	11.5	12.0
Finance	12.5	11.5	11.5	11.5	11.5	11.5	11.5	12.5	14.0	8.0
Municipal Court and Teen Court	10.0	10.0	10.0	10.0	10.0	10.0	10.0	8.0	8.0	7.5
Development and Planning	6.0	6.0	6.0	6.0	6.0	13.0	13.0	19.0	17.0	16.0
Library	19.7	19.6	19.6	19.5	19.5	19.5	19.5	19.5	19.5	18.0
Support Services	10.0	11.0	11.0	22.0	23.0	18.0	18.0	18.0	18.0	17.0
Police										
Officers	80.0	80.0	80.0	81.0	80.0	80.0	81.0	81.0	72.0	77.0
Civilians	55.0	53.0	56.0	57.0	56.0	59.0	59.0	72.0	37.0	48.0
Animal Control	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0
Fire										
Firefighters and Officers	63.0	63.0	63.0	63.0	63.0	63.0	66.0	66.0	69.0	69.0
Civilians	8.0	8.0	9.0	10.0	10.0	3.0	3.0	6.0	3.0	3.0
Parks and Recreation										
Management and Communication	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-	-	-
Parks and Recreation	37.5	37.5	37.1	39.1	39.4	38.9	39.8	40.8	44.3	32.1
Senior Citizens Center	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	-
Tourism and Special Events	4.4	4.5	5.5	6.0	6.0	6.5	6.5	4.5	5.5	5.5
Public works										
Engineering	5.5	5.5	8.0	8.0	8.0	8.0	8.0	8.0	6.0	5.0
Water	13.8	12.5	12.5	13.3	14.3	14.3	14.3	14.3	14.0	14.0
Wastewater	7.0	7.5	7.5	7.5	7.5	7.5	7.5	7.0	6.0	7.5
Stormwater	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	6.0
Streets	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	6.0	10.0
*Fleet Maintenance	4.0	4.0	4.0	-	-	5.0	5.0	5.0	4.0	5.0
Total	369.8	368.8	375.7	390.9	391.2	394.1	399.2	417.6	368.3	365.6

Source: City Finance - Position Control Report

*2016 - Fleet Maintenance moved from Public Works to Support Services (5.0 FTE)
*2017 - Inspections moved from Fire Department to Development and Planning (7.0 FTE)

City of Bedford, Texas **Table 20**

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program by Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Inspections										
Residential & Commercial Permits Issued	761	778	535	650	843	625	802	760	851	2,256
Estimated Value	19,951,220	29,646,601	37,315,837	29,813,302	52,625,480	36,744,807	31,099,840	112,105,644	39,969,628	74,021,728
Police										
Physical Arrests	2,715	2,534	1,982	1,992	2,275	2,267	2,632	1,667	1,775	1,958
Parking Violations	135	47	90	229	108	115	111	153	133	299
Traffic Violations	11,848	19,807	16,056	10,898	12,512	13,765	9,121	5,641	6,032	11,338
Fire										
Emergency Responses	8,114	8,155	8,042	8,431	8,070	8,857	9,028	8,672	9,791	7,366
Patients Transported	3,015	3,038	3,198	3,118	3,000	3,396	3,435	3,381	3,640	5,682
Fires Extinguished	103	106	199	115	90	142	96	105	117	180
Inspections	2,835	3,096	3,152	3,366	3,050	3,210	3,190	2,650	2,735	3,006
Culture and Recreation										
Parks and Recreation:										
Athletic League Spring Team	-	-	-	-	-	-	12	13	13	-
Athletic League Fall Team	-	-	-	-	-	-	8	-	-	-
Community Center Registration	4,040	4,112	4,795	4,483	3,994	3,220	3,652	4,024	4,024	431
Annual Recreation Revenue	289,285	332,189	508,903	511,242	489,555	420,446	452,693	69,733	-	132,426
Library										
Population Service	48,566	48,721	49,054	49,151	49,234	49,234	49,330	49,330	48,810	49,912
Number of Library Visits	252,506	244,388	221,177	219,543	214,899	178,866	190,788	106,200	107,035	119,996
Volumes in Collection	112,644	118,095	114,573	149,071	143,007	118,978	149,263	112,639	111,101	111,107
Total Volumes Borrowed	579,572	584,917	567,290	545,126	632,599	601,086	623,042	419,262	405,965	407,790
Turnover Rate	5	5	4	3	4	5	4	3	3	4
Total Operating Expenditures	1,249,419	1,309,275	1,320,502	1,457,919	1,487,263	1,538,473	1,538,473	1,347,721	1,477,687	1,632,319
Cost Per Population Served	26	27	27	30	30	31	31	27	30	33
Total Paid Staff (FTE)	20	20	19	19	19	19	19	19	19	19
Public Works										
Street Repair - Asphalt sq. yard	21,850	26,425	27,186	60,935	37,977	90,446	49,616	104,571	49,930	639,537
Street Repair - Concrete sq. yard	3,655	311	6,216	19,623	3,524	-	11,982	4,221	4,550	8,638
Sidewalk Installation/Repairs - sq. feet	5,630	5,950	6,500	9,255	1,383	9,135	17,532	7,092	9,596	4,647
Water and Sewer										
New Connections - Water	(14)	23	75	57	44	7	10	1	(33)	10
New Connections - Sewer	6	(4)	51	63	49	8	16	3	(46)	26
Water Main Breaks	46	46	62	31	16	25	12	11	16	27
Stated in Thousands of Gallons:										
Average Daily Consumption	6,881	6,403	6,125	6,810	6,252	6,147	5,793	5,966	5,943	7,509
Peak Daily Consumption	10,141	9,588	14,133	13,136	11,840	10,951	11,668	121,101	10,697	8,866

Source: Various City Departments

City of Bedford, Texas **Table 21**

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	17	17	17	17	22	22	21	21	30	31
Other Units: CID-SWAT-PSO	50	59	63	65	77	76	76	68	48	46
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Fire Equipment Units	5	5	5	5	5	5	5	5	5	5
EMS Units	4	4	4	5	5	5	5	5	5	5
Other Units	11	11	11	11	11	11	11	11	11	11
Regional Grant Units - Homeland Security	-	-	-	2	2	2	2	2	2	2
Other Public Works										
Streets (Miles)	455	456	456	456	460	460	460	460	460	460
Streetlights	1,738	1,738	1,738	1,751	1,753	1,753	1,753	1,753	1,753	1,753
Traffic Signals	25	25	26	26	26	25	26	27	27	27
Parks and Recreation										
Park Acreage	150	150	155	155	155	140	140	145	152	152
Playgrounds	17	17	16	16	16	16	16	16	16	16
Swimming Pools	4	4	4	4	4	4	4	1	1	3
Soccer/Baseball/Softball Fields	11	11	11	11	11	11	11	6	6	9
Community Centers	3	3	3	3	3	1	1	1	-	1
Water										
Water Mains (Miles)	148	149	165	167	192	192	192	192	192	192
Fire Hydrants[a]	1,425	1,800	1,800	1,802	1,818	1,818	1,818	1,830	1,830	1,831
Storage Capacity (One Ground Well - 250,000 gallons) (Elevated Storage - 5 million gallons)	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250
Stormwater										
Storm Sewers (Miles)	92	92	93	173	198	198	198	198	198	198

Source: Various City Departments